Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 75
Bahrain ... Din 0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr. 38	Japan Y550	Singapore .. S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain ... Pta 100
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... Dkr. 7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt ... E£1.00	Luxembourg . LFr. 38	Switzerland . SwFr 2
Finland ... Fmk 5.50	Malaysia .. Rin 4.25	Taiwan ... NT $65
France ... FFr. 8.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany .. DM 2.20	Morocco .. Dh 6.00	Turkey .... L 180
Greece ..... Dr 60	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 6.00	U.S.A. $1.50
India ..... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,213 — Friday January 6 1984 — D 8523 B

Norwegian refinery sparks political discord, Page 2

NEWS SUMMARY

GENERAL

Hussein dissolves national council

King Hussein of Jordan has dissolved the six-year-old national consultative council and recalled Jordan's parliament for an extraordinary session next Monday, in what is seen as a move with possible implications for the broader, but stalled, Arab-Israeli peacemaking efforts.

The Jordanian parliament's 60 member lower house, which has equal numbers of members from the East Bank and from the Israeli-occupied West Bank, has not met since 1974, following an Arab Summit meeting decision at Rabat, Morocco, which recognised the Palestine Liberation Organisation as the sole legitimate representative of the Palestinians. Page 3.

General resigns

West Germany's top-ranking Nato commander, General Günther Kiessling, resigned last week after asking for early retirement. He was appointed deputy to Nato's Supreme Commander in 1982.

Spanish tour

Spanish foreign minister Fernando Moran left for a six-day tour of Cuba, Costa Rica and Panama.

Romanov visit

Grigory Romanov, tipped as a possible successor to ailing Kremlin chief Yuri Andropov, arrived in West Germany for a congress of the DKP, the country's tiny communist party. Page 2

Marseilles blast

At least 16 were injured when an explosion destroyed a three-storey apartment block in central Marseilles.

Doctor jailed

A Hague court jailed Dr K. H. Doerga, 41, for five years for attempting to extort $20m for a coup in Surinam from the Amsterdam-based Heineken company by threatening to poison cans of beer with a heart-calming drug.

Nostalgic nanny

Scottish nanny Carol Compton, convicted of arson at Livorno, Italy last month, had no paranormal powers and started fires at her employers' country houses in hopes of persuading them to return to Rome so she could be with her boyfriend, according to a statement issued by her judges.

West German quads

Christel Boenecke gave birth to quadruplets at Freiburg, West Germany. The girl and three boys, who were five weeks premature, were born within two minutes.

Tunisian riots

Renewed protests flared in Tunis as government officials put the death toll from food riots throughout the country at more than 50, with hundreds more injured. Page 3

Price rise supported

A Polish government-sponsored questionnaire has shown that 65 per cent of respondents are inclined to accept proposed food price rises. The planned rises were rejected by 15 per cent of those questioned, and 20 per cent suggested increases other than those proposed.

Fighters grounded

The Royal Netherlands Air Force has grounded 30 of its 93 F-16 fighter aircraft because of defects in the engine cooling system.

BUSINESS

Move to delay Getty merger

● CLAIRE EUGENIA GETTY, the niece of Gordon Getty, who is masterminding the $8.7bn merger of Getty Oil with Pennzoil, is seeking a temporary restraining order to halt the deal, apparently because some members of the Getty family feel they have not been fully consulted. Page 10

● TOKYO: Nikkei Dow Index rose 19.75 to a record 9946.85, and the Stock Exchange Index was up 1.94 at 737.39. Report Page 17; Leading prices and other exchanges Page 20.

● WALL STREET: The Dow Jones Index closed up 13.19 at 1,282.24. Report Page 17, Full share listings, Pages 18-20.

● LONDON: FT Industrial Ordinary Index rose 13.3 to 783.6. Report, FT Share Information Service, Pages 19-21.

● DOLLAR rose above the psychologically important chart point of DM 2.8 during trading, but slipped back slightly to finish still up in London at DM 2.799 (DM 2.7845). It rose to SwFr 2.234 (SwFr 2.228) and FFr 8.54 (FFr 8.4975), but slipped to Y232.85 (Y233.3). Its trade-weighted index rose to 131.3 (131.1). Page 27

● STERLING fell 80 points to close in London at $1.4125. It was weaker at DM 3.955 (DM 3.9575), SwFr 3.1575 (SwFr 3.165), FFr 12.06 (FFr 12.065) and Y329.25 (Y332). Its trade-weighted index was 81.9 (82). Page 27

● GOLD rose $1¼ an ounce in London to $376¾. In Frankfurt it closed at $375¾ ($374¼) and in Zurich at $375¼ ($374¼). Page 26

● ZINC values accelerated on the London Metal Exchange. The cash price reached £677 at one stage before closing £21.5 up at £666 a tonne. The three months quotation traded at a peak of £676, then eased to close £8 higher at £666.5, before moving ahead again in after hours trading. Page 26

● AN IMF TEAM flew into Turkey for the first time since Mr Turgut Ozal's Motherland Party took power on December 10. Mr Ozal wants a new stand-by agreement, which would be wider in scope and designed to last several years. Page 10.

● DENMARK's opposition Social Democracy Party will repeat its vote against the 1984 Finance Act when it is re-presented to the Folketing following next week's general election, the party's former foreign minister, Kjeld Olesen said. The opposition is unlikely to gain power in the election, but could cause a second election by blocking the Bill. Page 2

● FRANCE'S foreign debt, which has expanded dramatically in the last two years, will be cut by the end of next year or in 1986 said the country's Finance Minister Jacques Delors. Page 10.

● ALDO BONASSOLI, the Italian inventor of the "oil sniffer aircraft" said in a radio broadcast yesterday that he was not a swindler. His equipment was meant to provide a radar image of underground minerals and oil. Page 10

COMPANIES

● BOEING, the world's biggest maker of jet airliners, will this month "roll out" of its Renton, Seattle, factory its latest model, the Series 300 version of the best-selling twin-engined 737. Page 4

● BRITISH PETROLEUM has asked British and foreign shipyards to tender for a £50m vessel it plans to build as part of its project for producing oil from small North Sea oilfields. Page 2

● BRITISH SHIPBUILDERS and union leaders continued talks last night amid growing speculation that the national strike due to start today would be called off.

European shares at record levels as dollar surges

BY RAY MAUGHAN, PHILIP STEPHENS AND GORDON CRAMB IN LONDON

Stock markets throughout Europe responded vigorously to a powerful overnight performance from Wall Street and the major indices in almost all the leading financial centres reached new peaks. As trading halted for the evening in Europe, the cycle of international dealing began again with Wall Street once more making a buoyant start.

This came in tandem with new records for the dollar on foreign exchanges for the third consecutive day, breaching DM 2.80 for the first time in a decade, and pushing sterling, the French franc and Italian lira to record lows at the London close.

New York, instigator of much of the enthusiasm throughout Europe, started trading yesterday in fine form. At the close the Dow Jones industrial average was up 13.19 at 1,282.24 to add to the 16.31 advance it had achieved on the previous day. First-hour volume amounted to a record 47.98m shares.

While the pound put up another feeble display and fell to an all-time low of $1.4090, the London Stock Exchange saw all but one of the 30 blue-chip shares which make up the FT Industrial Ordinary index make strong advances.

It established a peak of 783.6 yesterday after a rise of 13.3, exceeding its December 22 level. The FT Actuaries index, which monitors the progress of 750 shares, rose from 470.89 to 477.44.

As one analyst put it, "There is a huge equity boom in most places now, not only in London." From Stockholm to Zurich, from Paris to Frankfurt, as well as in Tokyo earlier, the message was repeated: strong investment liquidity coupled with Wall Street's advance have led shares up to highest ever levels.

In Frankfurt, the Commerzbank index of 60 shares rose to a new record of 1,062.7, a gain of 10.3 on the day, while the Frankfurter Allgemeine Zeitung index of 100 shares reached a peak of 358.91, exceeding the earlier record of 358.16. Both were set on Tuesday.

The All-Share index in Amsterdam rose 4.4 to a best-ever 167.1 while the Internationals index added 5.9 to 176.7, again a sharp break into uncharted territory.

For the dollar the firm underlying trend of U.S. interest rates and tension in the Middle East were cited as the key factors behind the surge, with speculators apparently encouraged by the failure of European central banks decisively to oppose the upward move.

European monetary officials expressed concern at the U.S. currency's steep rise since the beginning of the week but gave no indication that at present they planned concerted action to seek to reverse it.

The Bundesbank, which sold hundreds of millions of dollars in a short period last month, appeared to be intervening only modestly, while Bank of England support for sterling was limited to smoothing operations.

European governments are also

Continued on Page 10

International stock and money markets, Section III

Buhari announces plan to 'clean up' economy

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

NIGERIA's new military leader yesterday spelt out a programme of continued austerity – cuts in public spending and reduction in imports – in order to "clean up the economic mess" left by the former civilian administration.

Maj-Gen Mohammed Buhari, chairman of the Supreme Military Council, promised to continue discussions with the International Monetary Fund (IMF), the World Bank and major creditors to resolve the country's foreign exchange crisis.

In a major review of economic policy, he even hinted that his regime might be prepared to devalue the naira – the main bone of contention in previous discussions with the IMF – in order to qualify for support. At the same time, he appealed to the international institutions "to co-operate with us fully, and assist in bailing us out of our ailing economy."

The head of state, whose economic analysis occupied the bulk of his first press conference since taking power last Saturday from the government of former President Shehu Shagari, stressed his determination to root out "the cancer worm of corruption," and to end the activities of "hoarders, smugglers and all other social and economic saboteurs."

Asked specifically on the question of devaluation, he said: "Nigeria is not in a position to take any tough position. We have to be careful. We don't want to mortgage our country, but if it is already done, perhaps we have no alternative but to accept some unpleasant terms, to get raw materials and keep our factories going."

Maj-Gen Buhari said the Nigerian military commanders had been forced to assume power because of the "planlessness, downright incompetence and irresponsibility" of the Shagari government.

He gave details of the soaring budget deficits of the federal and state governments over the past four years, and the rapid increase in public indebtedness. The country's debt service ratio had increased from less than 1 per cent in 1977 to more than 30 per cent today, he said.

He said the new administration would adopt policies to reduce the level of public spending and would refuse to embark on development projects involving large foreign exchange commitments.

Once the current exercise of refinancing the accumulated arrears on trade payments was completed, "we intend to remain current in our future external obligations, by reducing our commitments to the basic needs of the economy," he said.

In effect, Maj-Gen Buhari's statement suggests that he will pursue very much the strategy outlined by President Shagari in his 1984 budget two days before he was deposed, which proposed a 29 per cent reduction in government capital spending and a 40 per cent reduction in imports to balance the current account of the balance of payments.

However, Maj-Gen Buhari's main criticism of the former regime was its half-hearted implementation of the austerity measures necessary to restore economic equilibrium in the wake of the international oil glut and the slump in Nigeria's oil exports.

In particular, Maj-Gen Buhari promised radical reform of the system of import licensing, which was "so corrupt that licences were denied to genuine importers and manufacturers."

He told the press conference that the former head of state was "safe and sound in military custody."

Murdoch attempts to block Warner and Chris-Craft link

BY TERRY DODSWORTH IN NEW YORK

MR Rupert Murdoch, the Australian publisher, yesterday moved to block the proposed link between Warner Communications and Chris-Craft Industries. He filed a petition claming that the deal might "not be in the public interest."

In a filing with the Federal Communications Commission (FCC), Mr Murdoch said that the agreement, aimed at giving Chris-Craft 19 per cent of Warner, would violate regulations on the ownership of media outlets. "The proposed transaction is not in the best interests of Warner and its stockholders," the statement said.

The petition gives no further indication of Mr Murdoch's own intentions towards Warner. Last month his Australia-based News Corporation holding company raised its stake in the troubled U.S. entertainments group to 7 per cent. News America Publishing, Mr Murdoch's U.S. subsidiary, has since given official notification that it might buy up to 49.9 per cent of Warner.

There has been speculation on Wall Street that Mr Murdoch may not be interested in exercising long-term control over Warner. According to this view, the aim of his share dealing is to get into a position in which he can pick up some of Warner's assets, principally its film library, or its stake in the Warner-Amex cable television project.

Warner's deal with Chris-Craft, announced at the end of December, was widely interpreted as an attempt to freeze out Mr Murdoch

Under the terms of that agreement Warner is to acquire a 42.5 per cent stake in Chris-Craft's broadcasting subsidiary through the issue of preferred shares which will also be convertible into Warner common stock.

Chris-Craft has said that it might build up its share in Warner to 25 per cent. If such a move went ahead it would complicate matters for Mr Murdoch because of the regulations on cross ownership of television stations, of which Chris-Craft is a significant operator, and newspapers.

Lex, Page 10

Arab oil states build up stocks

By Ian Hargreaves in London

MIDDLE East producers appear to be building up oil stocks faster than previously suspected. An extra 900,000 barrels of oil flowed into world stocks in the final quarter of 1983.

According to the latest oil market report of the Paris-based International Energy Agency, production by members of the Organisation of Petroleum Exporting Countries (Opec) continued at the third-quarter rate of 18.8m b/d, a figure well in excess of the official Opec production ceiling of 17.5m b/d.

But a large and unexplained proportion of that output found its way neither into the market nor into officially monitored petroleum reserves.

The IEA figures show that within the Organisation for Economic Co-operation and Development (OECD), stocks were drawn down at a rate of 300,000 b/d, implying that outside the OECD area, stocks rose by the very large figure of 1.2m b/d.

IEA officials said yesterday that a large part of the missing oil might be held by Saudi Arabia, which is known to have chartered a fleet of tankers late last year capable of storing up to 25m barrels.

In addition, oil companies are thought to have quietly hedged against the danger of a disruption of supplies from the Gulf in the Iran-Iraq war by also putting more oil to sea.

As much as 500,000 b/d might be accounted for by those two sources, officials said, leaving over half the stock addition unaccounted for.

It is also possible, they said, that the IEA figures for consumption in the quarter may turn out to be higher than yesterday's report suggests, or that some other error has affected the figures.

Fourth-quarter OECD consumption is put in the report at 34.9m b/d, compared with 34.4m b/d in the same quarter of 1982. That represents the second consecutive quarter of rising consumption after 16 quarters of decline.

European consumption fell by 3.1 per cent, but that was offset by a 3.3 per cent increase in North America and 1.4 per cent in the Pacific region.

The agency's latest forecast for OECD consumption in 1984 is for a 2.4 per cent rise on the 416m tonnes consumed last year.

At the end of 1983, total stocks on land, including those controlled by governments, were put by the IEA at 433m tons, or 96 days' supply.

Oil market prices, Page 26

Peugeot takes tougher line over Poissy

BY PAUL BETTS IN PARIS

PEUGEOT, the troubled French motor group, yesterday announced the indefinite closure of its strife-torn Talbot plant at Poissy, the suspension of wages of the 17,000 workers employed at the large factory outside Paris, and the decision to spin off its French Talbot subsidiary.

The decision to transfer ownership of Talbot et Cie, the French Talbot subsidiary, from Automobiles Peugeot to two shell companies owned by the group is designed to enable Peugeot, if need be, to liquidate the troubled subsidiary without imperilling the rest of the group's businesses, which include Peugeot, Citroën and Talbot's British and Spanish operations.

However, the liquidation of the French subsidiary, or a long closure of Poissy, would inevitably drag down the UK and Spanish operations of Talbot, which rely on parts made at Poissy.

The latest developments came after a third consecutive day of violent clashes at Poissy between rival union workers. The clashes yesterday were among the fiercest in the recent history of the French motor industry, forcing the company to call in riot police to evacuate the plant and try to restore calm.

Local pro-Socialist CFDT union leaders, reflecting their increasing inability to control their angry immigrant rank and file, also urged the Peugeot management to call in the riot police.

Some 55 people were injured, some seriously, during the disturbances at the plant, where production has been halted for five weeks by a bitter labour dispute over Peugeot's controversial plans to reduce by 7,500 workers its French labour force, including 1,900 redundancies at Poissy.

The decision of the local CFDT leaders to urge the intervention of the police was both significant and deeply ironic. The union has been the most militant opponent of Peugeot's redundancy plans for Poissy, while the pro-Communist CGT union has favoured a resumption of production.

The situation at the plant degenerated yesterday into a state of anarchy, leading M Max Gallo, the spokesman of the socialist Government, to describe the latest developments as "a drama."

The clashes started when the factory opened at dawn. Workers favouring a return to work hurled metal objects at those who wanted to continue strike action. At one

Continued on Page 10

Daimler-Benz sells Euclid subsidiary

BY JONATHAN CARR IN FRANKFURT

DAIMLER-BENZ, the West German vehicle concern, is selling Euclid, the U.S. subsidiary it acquired in 1977 and which makes off-road, earthmoving heavy trucks, to Clark Equipment, the U.S. construction machinery company.

Daimler is gaining a 5 per cent stake in Clark as part of the deal, which is estimated to be worth about $30m.

Daimler is thus opting out of the depressed U.S. market for very heavy trucks, at least for the time being, to concentrate on lighter commercial vehicle and car sales.

Euclid ran up another loss last year and its sales were down, though exact figures were not immediately known. Sales in 1982 plunged by 24 per cent to 482 vehicles.

In contrast, Daimler-Benz said 1983 sales of Freightliner, its lighter truck subsidiary in the U.S., were up by nearly 50 per cent to about 12,000 vehicles. Freightliner is now back into profit as a result.

Daimler bought Euclid from White Motors of the U.S. for about DM 60m ($21.5m) nearly seven years ago, planning to make it the nucleus of a heavy commercial vehicles group. But the deep U.S. recession heavily depressed sales to the domestic construction industry, and the strength of the U.S. dollar cut Euclid's export prospects.

Daimler says it sees a good long-term future for Euclid with Clark, a company with annual turnover of about $1bn

Moreover, by taking its 5 per cent stake in Clark, Daimler is at least keeping its foot in the door for a possible return to the heavy truck market. However, a Daimler spokesman said there were no plans at present to increase the stake.

CONTENTS

EUROPEAN NEWS

Attack heightens Italian Communist tensions

BY JAMES BUXTON IN ROME

THE LEADERSHIP of the Italian Communist Party (PCI) yesterday went out of its way to play down the significance of a remarkably outspoken attack on the party's current policy by Sig Giorgio Napolitano, one of its most senior figures.

Sig Napolitano, who leads the Communist members of the Chamber of Deputies, questioned, in an article in the party's newspaper L'Unita, whether the PCI's policy of unremitting opposition to Sig Bettino Craxi's Government was right.

In a veiled attack on the methods of Sig Enrico Berlinguer, leader of the PCI since 1972, he said that a policy of such importance ought to be agreed in "open discussion."

He implied that a more constructive opposition might enable the largest Communist party in Europe to put across its point of view better, as well as further its goal of coming to power in a left-wing Government that would include the Socialists, currently in coalition with the long-ruling Christian Democrats.

It might also do something to improve Parliament's low standing with the public and enable it to function better, passing legislation which the country needed.

"The role of a great national force such as ours cannot be to block as a matter of course the measures the Government takes, however negatively we judge them," Sig Napolitano wrote.

A long-standing rival of Sig Berlinguer, he is well known for wanting to move the Party closer to the Socialist parties of Europe. But his attack comes at a time of increasing questioning inside the PCI of its long-term strategy, since the idea of its coming to power in a left-wing coalition in the near future is simply unrealistic.

The PCI suffered a sharp setback in local elections last November in Naples which had had a Communist mayor since 1975, and last year it also lost control of Turin and Florence.

Sig Napolitano's unease with the official policy of strong parliamentary opposition to Sig Craxi emerged clearly last month, when he attracted criticism inside the PCI for helping the budget to be passed in record time, even though he obtained important concessions on specific measures in return.

Senior Communist party officials who attended yesterday's meeting of the party directorate insisted that Sig Napolitano's article had not been discussed at the meeting because it was an artificial issue which the Italian Press had exaggerated. But, though it almost certainly does not presage a change of policy, it underlines unusually starkly the tensions inside the party.

National economic gloom masks prosperity

BY OUR ROME CORRESPONDENT

ITALY has long been a richer country than it looks. But the latest confirmation that the average Italian has a much better life than the almost unbeleivedly gloomy figures on the national economy would suggest comes from no less a source than the Bank of Italy, the central bank.

The year 1982 was by general consent a bad one. Gross domestic product fell for the first time in the post-1979 recession by 0.3 per cent. The balance of payments showed a current account deficit of L10,000bn (about $5.9bn at today's exchange rate).

Yet the income of the average family rose that year by 27.5 per cent. Even if one deducts the 16.5 per cent average inflation rate for the year, that still leaves real growth of 11 per cent.

The figure comes from the bank's annual survey, which shows that family incomes rose to L17.6m ($10,400) in 1982, compared with L13.8m in 1981. The figure is based on a sample and despite the fact that Italian families are notoriously reticent about the true state of their financial affairs, the Bank believes that the sample is statistically representative.

According to the survey, only about 55 per cent of family income came from work as a regular employee. Of the rest some 17.9 per cent came from "mixed activities"—an apparent reference to second jobs and "black" work—14.9 per cent from transfers, and 12 per cent from capital.

It has long been a sore point with employers that Italians' earnings have usually far outpaced inflation, even at a time of recession. Gross national product statistics have always been highly questionable, since they make only vague assumptions about the extent of the "black" economy, which may account for an extra 20 or 30 per cent of GDP, or even more.

Romanov in Bonn for DKP congress

BY JAMES BUCHAN IN BONN

THE ARRIVAL in West Germany yesterday of Mr Grigori Romanov, a leading figure in the group of somewhat younger members of the Soviet Politburo, is causing considerable interest among Western diplomats in Bonn.

Mr Romanov, 60, and until his move to Moscow last summer, the party chief in Leningrad, arrived in Nuremberg yesterday for the congress of the West German Communist Party, DKP. This is thought to be Mr Romanov's first visit to Western Europe, apart from excursions to Helsinki

Moscow traditionally sends delegates to Western European Communist Party meetings, and the tiny but extremely rich DKP has grown a little in influence because of its activity in the popular movement against the deployment of new Nato missiles in W. Germany last year. However, Western diplomats are more interested in Mr Romanov's visit in connection with the succession of Mr Yuri Andropov, the party leader, who has not been seen in public since last August.

Mr Romanov belongs in a group of three Politburo members who are thought likely by diplomats to play important roles, whether singly or as part of a collective leadership, should Mr Andropov's health further deteriorate.

The others are Mr Vitali Vordnikov, 57, and Mr Mikhail Gorbachev, 52. Mr Gorbachev travelled to Portugal last month for the congress of the Portuguese Communist Party.

Diplomats in Bonn believe that these men, whether from their own wish or at the prompting of the Politburo, are seeking to increase their international experience.

It was not known yesterday whether Mr Romanov would meet Bonn Government officials or leaders of the Social Democrats (SPD).

Bonn officials attach great importance to meetings with Mr Andrei Gromyko, the Soviet Foreign Minister, in Stockholm in ten days time. Although Herr Hans-Dietrich Genscher, the Foreign Minister, has been confined at home after a motor accident, Mr Romanov might meet Herr Andreas Meyer-Landrut, the former West German ambassador to Moscow and state secretary in the ministry.

Danish Finance Act faces rejection

By Hilary Barnes in Copenhagen

DENMARK'S opposition Social Democratic Party will repeat its vote against the 1984 Finance Act when it is re-presented to the Folketing following Tuesday's general election, the party's former Foreign Minister, Mr Kjeld Olesen said during the election campaign yesterday. The anti-tax Progress Party will also reject the Finance Act again after the election.

If these two parties stick to this course, the country could face the possibility of a new general election within weeks of Tuesday's poll.

The election was called when the four party non-Socialist coalition was defeated last month in the vote on the 1984 Finance Act, without which the Government can make no disbursements. To prevent the election bringing public administration to a halt, a temporary act is now in force.

The Government was defeated by an alliance of the Progress Party, demanding massive spending cuts, and the three socialist parties, calling for increased spending.

Although the coalition is expected to make substantial gains in Tuesday's election, it will almost certainly remain in a minority. Opinion polls indicate that the parties which blocked the Finance Act in December may still be able to do so in February, but the balance will be fine, and the two members each for Greenland and Faro Islands may hold the balance.

Prime Minister Mr Poul Schlüter has said repeatedly that further negotiations on the Finance Act will serve no purpose and that the Act will be reintroduced unchanged when the Folketing meets again.

Minority governments are the rule in Denmark and the moderate parties, including the Social Democrats, whether in office or opposition, have nearly always voted for the annual Finance Act on the grounds that any other course could introduce a state of near-anarchy with an election every year in January for a Finance Act to be passed.

Row simmers within Norwegian coalition over refinery plans

BY FAY GJESTER IN OSLO

CONFLICT is simmering within Norway's three-party coalition about a NKr 4.2bn ($536m) scheme to expand and upgrade the country's newest oil refinery.

Ministers representing the two junior partners in the coalition – the Centre and Christian Democrat parties – are keen to see the project go ahead.

Mr Kaare Willoch, the Conservative Prime Minister, and some of his Conservative Cabinet colleagues remain, however, sceptical about the plan, which was proposed long ago by Statoil, the state oil company, and concerns the facility at Mongstad, west Norway, in which Statoil has a 80 per cent stake. Norsk Hydro, Statoil's partner at Mongstad, opposes the plan.

The plan has been thoroughly studied by the Oil Ministry, an inter-ministerial committee and two independent foreign consultancy firms.

Most of the experts consulted agree that the proposed expansion – from 4m to 6.5m tonnes annually – would be economically worthwhile and that there would be a profitable market for the products of an enlarged, upgraded refinery. The project itself would, moreover, provide badly needed jobs in an area where unemployment, by Norwegian standards, is high.

At a recent Cabinet meeting, the Conservative ministers overruled colleagues' objections and said the whole project should be referred to a Civil Service committee for two more months' discussion and review.

Critics of the Government's decision say it is just foot-dragging. They claim that the Civil Service committee in the two months allotted to it, cannot turn up any new, relevant facts.

The Oil Ministry, headed by Christian Democrat Mr Kaare Kristiansen, apparently hopes that despite this latest hitch it will be able to put the Mongstad proposals to the Storting (parliament) during the spring session. They are certain of parliamentary approval, since Labour, the largest opposition party, favours the plan.

Statoil has disclosed that Norwegian oil-related investments this year will reach a new record, at NKr 25bn. Projects now in hand in Norwegian waters are worth a total of NKr 90bn.

They include a third platform for the Anglo-Norwegian Statfjord field, the Statpipe gasline, the Ekofisk water-injection scheme and three new field developments – Gullfaks, Heimdal and Ula.

Next year, offshore investments will drop steeply to NKr 15bn as a number of later projects approach completion. From 1986, investment spending will increase again, providing that new developments being planned are approved soon.

The only oil-related scheme "ripe" enough to get under way in 1985, thus boosting the 1985 investment total, is the enlargement of Mongstad, Statoil says.

Meanwhile, a radical proposal has been put forward for exploiting Norwegian gas fields that are too small or isolated to justify production for export. Mr Asbjoern Vinjar, head of the State Energy Directorate, says uneconomic fields could be turned over to the state power authority, which would finance their development and use the gas to generate electricity. He plans to discuss the technical and economic aspects of the idea with the oil directorate – the advisory arm of the Oil and Energy Ministry.

An oil ministry official said the concept was interesting. The rising cost of new hydro power projects might make it economically worth while to burn gas for power production, provided the gas was "free".

Gas in unexploited fields would remain the property of the concession holders as long as they kept their concessions, but when such fields were relinquished to the state, the gas they contained would become state property.

Gas-fuelled power plants could be built either offshore, using submarine cables to bring the electricity to land, or on shore.

Portugal liberalises banking sector

By Diana Smith in Lisbon

THE PORTUGUESE Cabinet has approved legislation defining the rules for a banking sector re-opened to private capital after nearly nine years of monopoly for the public sector.

The gesture ends four years of promises to liberalise banking in Portugal.

According to the decree-law passed by the Socialist-Social Democrat coalition cabinet of Sr Mario Soares, a minimum capital of Esc1.5bn (£7.8m) will be needed to open a new bank in Portugal.

This is somewhat less than the Esc2bn minimum capital requirement indicated last November when the proposed banking legislation was circulating among Portuguese bankers for comment.

The high requirement was urged by some to deter a flood of newcomers — but such a spate is not a strong likelihood in a country where business opportunities are limited. Others in the financial community have insisted that the arrival of foreign banks, in particular, will be healthy for the system.

Initially, perhaps five or six foreign banks are expected to apply: probably two Americans, one British, one Japanese, one French and one Spanish.

There are more than 20 foreign representative offices operating in Portugal, but many plan to wait and see how markets develop before committing themselves to full branches.

Three foreign banks—the Bank of London and South America (Lloyds), Credit Franco-Portugais (Credit Lyonnais) and Banco do Brasil—have long-standing full operations in Portugal and were not affected by nationalisation of Portuguese commercial banks in 1975.

These three banks account for about 1.5 per cent of the market. The British and French banks at least, have expanded strongly in recent years.

Under an agreement with the European Economic Community, the Portuguese banking system will have seven years to adapt to EEC banking practices. During that period, the number of branches which foreign banks can open will be strictly limited.

News of the long-awaited liberalisation of banking was greeted with relief by foreign bankers in Lisbon.

Swiss banks reduce deposit rates

SWISS BANKS have cut time-deposit rates to their lowest level since last April, writes John Wicks in Zurich. The four leading banks — Union Bank of Switzerland, Swiss Bank Corporation, Credit Suisse and Swiss Volksbank—have reduced the rate for 3-8 month deposits from 3.5 to 3.25 per cent following a fall in the Euro-Swiss franc level.

At the same time, however, 9-12 month deposits remain unchanged at their October rate of 3.5 per cent.

Record reserves

Switzerland's foreign - exchange reserves reached a record level of nearly SwFr 32.68bn ($14.85bn) at the end of 1983, showing an increase of almost SwFr 805m over the year, writes John Wicks. The national bank announced that its gold reserves had remained at a level of SwFr 1.9bn,

Flick date set

A West German parliamentary committee yesterday set January 18 as the opening date for hearings into the Flick bribes affair in which Count Otto Lambsdorff, the Economics Minister, is alleged to be implicated, Reuter reports from Bonn.

West German steel

West German crude steel production last year totalled 35.73m tonnes, down about 0.4 per cent from 1983, the Statistics Office said yesterday on the basis of preliminary results, AP-DJ reports from Dusseldorf.

UK NEWS

Jobless total at 3.08m as pace of fall slows

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE TOTAL number of people unemployed fell by 5,000 to 3.08m in December, mainly because fewer school leavers were out of work. However, officials believe that the underlying trend is now flat.

Figures issued by the Department of Employment yesterday showed that the total number out of work, excluding school leavers and after seasonal adjustment, rose by 5,500 in the month to 2.94m.

This relatively small rise in the underlying figure followed falls in August, October and November.

Since June the underlying total has been rising at an average rate of less than 1,000 per month. This is in marked contrast to the first six months of 1983 when unemployment was rising at an average monthly rate of nearly 27,000.

The rise in December is thought to be much too small to indicate any reversal of the recent better trend. But it will be unwelcome to ministers because each month's figures are eagerly watched for signs of further improvement.

The December fall in the overall "headline" total including school leavers is expected to be reversed in January as a result of the usual seasonal increase for the month, expected this year to be 87,000.

A further disappointing aspect of yesterday's figures was that the number of vacancies registered with job centres (government job agencies) fell by 7,900, or 5 per cent of the total, after adjusting for seasonal factors.

This was the second consecutive fall in the number of reported vacancies. In December the figure was 7 per cent below the figure for October. However, vacancies in December were still 27 per cent higher than the number reported last January.

The latest figures were given a cautious welcome by Sir Terence Beckett, director general of the Confederation of British Industry, the employers' organisation. He said: "This is further evidence that the trend in unemployment is flattening out. What we must now do is bring it down."

Land Rover workers vote 2–1 for stoppage over pay deadlock

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MANUAL WORKERS at BL's Land Rover subsidiary yesterday voted by 2 to 1 to strike from January 13 over a breakdown in pay talks.

The size of the strike vote at mass meetings came as a surprise. Even union leaders had expected a close decision, given existing company plans to axe 1,560 jobs and the threat of more redundancies in the event of a strike.

Significantly, workers at six of the company's seven satellite plants where jobs will be lost over two years under economy plans, narrowly voted to accept the deal, which is worth up to 9 per cent.

Unions contest the value of the offer, saying that it consolidates bonus payments and is worth little more than 3 per cent.

Land Rover claims it can save £14m a year by closing the satellite plants and concentrating production at the main Solihull factory at Birmingham.

Mr Tony Gilroy, Land Rover managing director, has told all employees in a letter that a strike would be "disastrous". It would lead to a loss of jobs and sales and mean that even the increase now on offer could not be afforded.

He said the company was more directly involved in competition with Japanese makers than any other UK vehicle maker because Land Rover business was based on exports. If Land Rover could not hold down costs and prices Japan would get an even bigger share of the world market.

● Britain's motor industry could be heading for "another murderous, cut throat sales war", in 1984, according to Mr Alan Dix, director general of the Motor Agents Association.

Writing in the association's magazine Motor Trade Executive, he says that sales targets of manufacturers and importers are over-optimistic to the point of "plain unadulterated idiocy."

Austin Rover has already started the new year with an incentives campaign offering up to £750 on some models; while Vauxhall, whose expanding market share has most worried market leader Ford during the past 24 months, plans to announce an incentives campaign of its own today.

Jaguar exports reach record £430m

BY OUR MOTOR INDUSTRY CORRESPONDENT

JAGUAR CARS, the BL subsidiary, had a record export year in 1983 with sales worth £430m at showroom prices, up 56 per cent on 1982.

This indicates that Jaguar's contribution to the UK trade balance was in the region of £300m last year, compared with about £200m in 1982.

With sales of 22,141 luxury saloons and sports cars outside the UK, plus 7,050 registrations in the British market, Jaguar's world sales reached more than 29,100, an increase of 33 per cent.

The biggest single overseas market last year was the U.S. where there were record sales of 15,815, a rise of 53 per cent. But Jaguar still trails its main European rivals in the U.S. by a long way. Daimler-Benz sold about 70,000 Mercedes cars there last year, while BMW's registrations were in the region of 65,000.

This year Jaguar's main objective is to do better in West Germany, the second-largest luxury car market in the world, with sales of about 60,000 a year.

Jaguar sales in Germany last year rose 44 per cent to 1,220 cars and its objective is to take about 10 per cent of the luxury car segment (roughly 6,000 cars) within four or five years. A new import-distribution company was set up at the end of last year in West Germany. This is 65 per cent owned by the Amil Frey group, based in Zurich, and 35 per cent by Jaguar itself.

According to Jaguar, its total continental sales last year were up 25 per cent at 3,167. The increase in the rest of the world was 30 per cent, to 2,629.

● Volvo's truck subsidiary in Britain missed the financial objectives it set itself last year because profit margins on sales were "leaner than ever before," Mr Bernt Brandtzaeg, managing director said. However, Volvo Trucks (Great Britain) remained profitable.

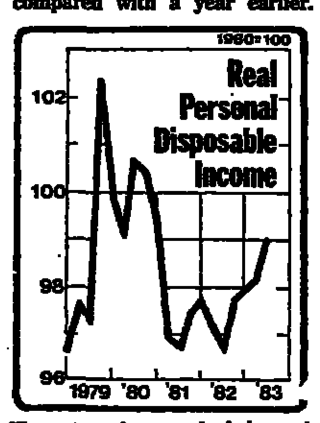
Standard of living shows sharp rise

By Max Wilkinson, Economics Correspondent

BRITISH living standards rose sharply last autumn, the first substantial rise for the nation as a whole since the onset of the recession 3½ years ago.

The latest figures, from the Central Statistical Office, show that the real personal disposable income for the whole population, including the unemployed, was 2½ per cent higher in the period July to September last year than it had been a year earlier.

In the previous three-month period, the rise was 1 per cent compared with a year earlier.



These two rises marked the end of a long period of decline and stagnation in the nation's after-tax spending power.

Those with jobs have been enjoying, on average, a steady rise in real take-home pay for some time. But the total spending power in real terms has been dragged down by the rise in the numbers of unemployed. After the summer, however, unemployment rose more slowly and showed an underlying decline in the last three months of 1983.

The rise in real after-tax incomes helps to explain the continued buoyancy of consumer spending at a time when the proportion of incomes going into savings has ceased to fall.

During 1982, the ratio of savings to incomes fell steeply from nearly 13 per cent in the first three months to a little over 9 per cent in the final three months. This lower savings ratio reflected higher borrowing, much of it to finance consumer spending.

After a further fall at the beginning of this year, the savings ratio has remained unchanged at 8½ per cent in the six months to September.

Most commentators believe that there is little extra scope for consumption to be financed from lower net savings.

TUC presses for £3.2bn aid to assist the poor

BY JOHN LLOYD, LABOUR EDITOR

THE Trades Union Congress (TUC), has called for a £3.2bn package of assistance to the country's poor in its submission to the Government ahead of the spring budget.

It is the first full-scale attempt by the TUC to engage the Government in realistic dialogue over the details of its economic strategy. TUC leaders hope to meet Mr Nigel Lawson, Chancellor of the Exchequer, at the end of March.

Mr Len Murray, the TUC general secretary, made it clear yesterday that this meant accepting the broad parameters of the Government's approach as unchangeable. The submission replaces the TUC's annual economic review, which in recent years had presented essentially an alternative programme which could not possibly have attracted Government support.

Its specific recommendations for the four groups most in need – the unemployed, the low paid, pensioners and families – are:

● A full indexation of unemployment benefit, together with a supplementary benefit rate of £7 for the long term unemployed (£11 to those with families). Cost: £200m.

● Income tax thresholds should be increased by 6 per cent over inflation rate. Cost: £1bn. Cuts in housing benefits reversed. Cost: £230m.

● Single person's pension should be raised from £34.05 to £42.45 a week, married persons' pensions from £54.50 to £68.25 a week. Cost: £750m.

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BP seeks tenders for £50m oilfield vessel

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH PETROLEUM has asked UK and foreign shipyards to tender for a vessel it plans to build at a cost of over £50m as part of its project for producing oil from small North Sea oilfields.

The purpose-built vessel and associated equipment – the whole project would probably cost nearly £100m – are designed to produce oil from fields that would otherwise not be economic.

The yards on BP's list of potential builders include Cammell Laird of Merseyside, which is part of state-owned British Shipbuilders, and Harland and Wolff of Belfast, also nationalised but not part of BS.

Yards in Japan, South Korea, Sweden and West Germany are also being asked to tender. Although the yards will fight hard to win the order, competition from the Far East on price and delivery dates will be intense. BP is not likely to decide where to place the order before this summer.

The vessel will be designed to stay in position in rough seas and to carry about 42,000 tonnes of oil. This would be drawn up through a riser system of tubes from wellheads on the seabed.

BP has so far gained informal UK government approval for one of the three small fields it has in mind for its new Single Well Oil Production System (Swops).

The company said the Swops production system could also provide a low-cost method of testing a reservoir over a long period to see if a discovery is worth developing.

Gleneagles resists bid

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE BOARD of Scotland's private Gleneagles Hotels group decided yesterday to ask its 16 shareholders to reject a £20m takeover bid from the Scotch whisky company Arthur Bell.

Gleneagles was formed in 1981 to take over the famous golfing hotel Gleneagles and two other hotels which were being privatised by British Rail, the owners. The purchase price was £10.35m.

Just before Christmas, Bell bought out the one-third stake in Gleneagles retained by British Rail and it has now offered shareholders 173 new Bell's shares for every 100 Gleneagles shares, or a cash alternative of 225p per Gleneagles share.

A meeting of the shareholders has been called for next Wednesday. The takeover battle comes in the middle of plans by Gleneagles to take a lease on the London Piccadilly Hotel and to raise £9.7m for the purpose in a rights issue.

The rights issue forced British Rail to sell its stake as it is in the process of shedding its non-rail activity.

Polish price rises supported

By Christopher Bobinski in Warsaw

THE RESULTS of a Polish Government-sponsored questionnaire on proposed food price rises have shown 65 per cent of the respondents inclined to accept the increases. But 15 per cent of the respondents rejected the rises outright and another 20 per cent proposed increases other than those suggested by the authorities.

Last November, the government prices office presented for consultation two basic variants of the rises ranging from an average of 20 per cent in the lower variant and a 30 per cent increase in the more expensive proposal. Forty per cent of the 53,000 replies received in the voluntary questionnaire came from old age pensioners most threatened by the rises and a mere 15 per cent from workers.

The long-drawn-out consultation process reflects Government fears, justified by past experience that food price rises bring on industrial unrest.

The results of the questionnaire show 35 per cent of the respondents choosing the lower variant. If introduced this would, according to official figures, merely level out the higher costs to the budget of increased prices paid to farmers for their produce since last July.

The more expensive variant chosen by 30 per cent would allow a Zl 20bn ($204m) cut in food subsidies this year. Food subsidies last year cost the Government Zl 237bn.

Early next week the Government is due to meet with leaders of the new trade unions organised to replace Solidarity, which now claim 3.7m members or around a third of the workforce, to discuss the prices issue. At earlier meetings, the new unions have attacked inefficiency in the economy as the root cause of inflation and called on the authorities to clearly outline wages policy for this year before agreeing to consider the price proposals.

Labour MEP defects to Social Democrats

BY KEVIN BROWN IN LONDON

THE British Social Democratic-Liberal Alliance yesterday gained its first member of the European Parliament with the defection from Labour to the Social Democrats of Mr Michael Gallagher, the MEP for Nottingham in the midlands of England.

His defection is an early setback for Labour's campaign for the European elections in June, seen by Mr Neil Kinnock, the Labour leader, as a vital test of his party's credibility.

But it may also prove embarrassing to the Alliance by highlighting a split between the SDP and the Liberals over membership of the European Liberal group.

Mr Gallagher will sit with the 11-strong Independent Group in the European Parliament until after the elections, when the SDP will decide which group any successful candidates will join.

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Jordanian parliament recalled by King Hussein

BY RAMI G. KHOURI IN AMMAN

KING HUSSEIN of Jordan yesterday recalled parliament, which last sat in 1967 before Israel occupied the West Bank in the 1967 war.

The parliament was formally dissolved in 1974 when the Palestine Liberation Organisation, under the chairmanship of Mr Yassir Arafat, was recognised by an Arab summit meeting as the "sole legitimate representative" of the Palestinian people.

The recall of parliament will offer an alternative form of representation for West Bank Palestinians and has provoked speculation that King Hussein will use it as a vehicle for possible negotiations with Israel as envisaged in President Reagan's Middle East peace plan.

West Bank members of the 60-seat parliament said yesterday that they had been told to be in Amman between January 9 and 12 in preparation for a recall of the assembly. They speculated that King Hussein might also announce the formation of a caretaker government which would oversee elections to a new parliament.

The royal decree issued yesterday validating these decisions by the cabinet said the upper and lower houses of parliament would meet to take action on Article 73 of the Jordanian constitution.

This empowers the government and the King to suspend parliamentary elections in extraordinary circumstances, and also permits the appointment of MPs to replace those who have either died or been barred from holding office for legal reasons.

Eight West Bank and eight East Bank seats in the elected lower house are vacant, and these are expected to be filled by new appointees.

The reconvening of parliament may have the double-edged purpose of both adhering to the constitutional niceties that require a two-thirds quorum of the lower house to conduct parliamentary affairs, and of re-invigorating an established mechanism by which joint Jordanian-Palestinian moves on Arab-Israeli peacemaking could be moved forward.

Considerable local pressure from East Bank Jordanians has built up here for several years for a return to a more participatory form of government based on the elected lower House of Parliament. (The Upper House is appointed by the King.)

Reconvening the parliament is expected to lead to elections soon in the East Bank, which would be a significant and highly popular response by the King to East Bank calls for a return to democratic life in the country.

Army and police open fire on rioters in Tunis

Francis Ghilles reports from the strife-torn Tunisian capital

ARMY and police yesterday opened fire on rioters in Tunis, shattering Government hopes for an immediate return to calm following a week of violent disturbances in protest at food-price rises.

Fighting broke out in the old commercial district of the capital, the Medina, and the security forces moved in to dislodge snipers.

The British embassy, which is situated at the entrance to the Medina, Porte de France, was hit by a few stray bullets, but there was little damage.

Gunfire could also be heard in Melassine and Ras Tabia, slums on the edge of the city. The latter acts as a refuge for people who have arrived recently from the countryside.

In the centre of Tunis there was the sound of broken glass falling into the streets as workers began repairing the damage caused in Tuesday's rioting.

In some districts, such as Bab Souika, the burned-out shops and cafes bear testimony to Tuesday's violence. The central post office of Bab Souika was gutted by fire—and on Tuesday demonstrators handed out the till money to the crowds.

Isolated incidents still occur in the capital. Yesterday morning a driver was pulled from his Mercedes and asked to set fire to it. Mercedes and BMW cars in particular have come to symbolise the ostentatious living of the few which most Tunisians resent.

Soldiers and other security forces are to be seen everywhere; their guns and submachineguns have fixed bayonets and fingers are on triggers. Many shops are boarded-up, but some, notably food shops, are open.

Although the Prime Minister had asked all Government employees to report to their offices, many civil servants decided to stay at home.

The Government has also appealed to bakers to do all they can to meet the requirements of the population.

Meanwhile, the new prices for bread, semolina and pasta, of which the Tunisians are avid consumers, remain in force. The price of semolina or more accurately hard wheat, which forms the basis of "couscous," the traditional dish of North Africa, has been doubled, along with that of pasta.

The trades union, Union Generale de Travailleurs de Tunisie (UGTT), has asked the Government to provide complete compensation, by means of salary increases for the doubling of the price of wheat and cereal-based foods.

Observers feel that it is unlikely that the Government will rescind the price increases announced last week, but some adjustment in the basic wage is not ruled out.

A meeting which brought together the leaders of UGTT, notably its president, Mr Habib Achour, and its secretary-general, Mr Taieb Baccouche with government ministers, yesterday reached what Mr Achour described as "good and positive results."

The Government has asked the governors of some of the poorer provinces, notably Kasserine, which was the scene of fierce rioting last week, Siliana and Sidi Bou Zid, to open work sites for the unemployed. The governors are also believed to have received lump sums to help the poorer members of the community and the unemployed.

The Tunisian press—all foreign newspapers are banned—is publishing photographs showing the violence of the past few days. Readers are told of women being dragged from cars and raped on the motorway south of the capital and of how some private homes in the northern suburbs were ransacked and looted on Tuesday.

Low-profile Nakasone provokes shrine controversy

BY JUREK MARTIN IN TOKYO

Yasuhiro Nakasone

MR YASUHIRO NAKASONE, the Japanese Prime Minister, yesterday embarked on a tough battle to retain leadership of his party by visiting a religious shrine, as is traditional over the New Year period. He chose the Yasukuni Shrine, commemorating Japan's war dead, but left it unclear whether he had paid the visit as a private citizen, honouring the memory of a younger brother killed in the last war, or in his official capacity as Prime Minister.

By yesterday afternoon the excursion had made banner headlines in the newspapers. Visits to the shrine by Prime Ministers are a sensitive issue, since they can often be interpreted as tantamount to official approval of Japan's military adventurism and even as endorsement of possible future military resurgence. Unlike his more circumspect predecessors, when Mr Nakasone visited the shrine last year he boldly declared that he had paid his respects as head of the Government.

Yesterday's controversial visit is in marked contrast to the uncharacteristically deferential profile Mr Nakasone has adopted since his bruising in the December 18 general election. He faces a difficult, protracted battle to retain the leadership of the Liberal Democratic Party which, if no election intervenes, will be determined at the party's regular convention in November.

Until now he has confined himself to Cabinet making, forging a parliamentary coalition with the small New Liberal Club, and to vague promises on bread and butter domestic issues.

He has also sought to reassure the outside world about the continuity of foreign policy, by sending Mr Shintaro Abe, the Foreign Minister, to the U.S. later this month to pick up the threads of bilateral negotiations broken by the election, and by preparing to welcome to Japan such regional heads of government as Mr Bob Hawke, the Australian Prime Minister, and President Chun Doo Hwan of South Korea. He may even tour Europe after the London economic summit in June.

But this is being done on a far less vivid level than last year. Mr Nakasone has recognised that official visits to Japan by the West German, U.S., Chinese and Canadian leaders apparently cut no ice with the electorate.

The assumption is that Mr Nakasone has no choice but to look inwards to survive. His twin tasks will be to contain a rejuvenated political opposition, which is incensed by the agreement with the New Liberal Club and which will certainly criticise the visit to the Yasukuni Shrine, and, perhaps more importantly, to keep the ruling Liberal Democratic Party's own factions from conspiring to overthrow him.

This last challenge has been made all the more difficult by the reported disaffection of a previously reliable supporter, Mr Zenko Suzuki, his predecessor as Prime Minister. Mr Suzuki's anger stems from the fact that his own protégé, and thus Prime Minsterial contender, Mr Kiichi Miyazawa, was squeezed out of Cabinet and senior Party posts in the making of the second Nakasone Government.

Mr Nakasone did reward another leading Suzuki faction member, Mr Rokusuke Tanaka, with the position of LDP secretary general for having brought about the NLC coalition but Mr Tanaka is not considered Prime Ministerial material and Mr Suzuki was distinctly unmollified.

It is still not clear whether Mr Suzuki will back Mr Miyazawa, who has held several previous Cabinet posts, or cut a deal with one of the other two prime contenders, Mr Abe and Mr Noburo Takeshita, the Finance Minister, or stay behind Mr Nakasone but the withdrawal of Mr Suzuki's backing would be a grievous blow to Mr Nakasone.

Making things more difficult is the latest hot rumour that Mr Kakuei Tanaka, the disgraced former Prime Minister but still the LDP's most powerful kingmaker, has decided to support neither Mr Nakasone, whom he helped put in power, nor Mr Takeshita, his factional heir-apparent, but his old friend Mr Susumu Nikaido, who until the election was the LDP secretary general.

Policy, it must be remembered, has almost nothing to do with these personal conflicts but the perception of vulnerability does. The lesson of the election for Mr Nakasone appeared to be that he will do best by being uncontroversial but visiting the Yasukuni Shrine may not be, in Japanese eyes, the best way of going about the process.

Syria and Israel 'approve Lebanese security plan'

BY NORA BOUSTANY IN BEIRUT

SYRIA AND Israel were reported yesterday to have granted approval for the Lebanese security plan calling for the disengagement of the country's warring factions and the creation of a buffer zone between them. But there was no confirmation that either Damascus or Jerusalem had given any firm commitments to the plan.

The Lebanese Government emphasised yesterday that it was determined to push ahead with the plan, which if implemented would help pave the way for a redeployment of the four-nation multinational peacekeeping force in Beirut and possibly its eventual withdrawal.

Col Simon Kassis, the Lebanese Army chief, held protracted consultations with Syrian leaders and commanders on details of the plan but no official announcement either rejecting or endorsing it was made in Damascus.

It was also learned yesterday that the foreign ministers of Lebanon, Syria and Saudi Arabia will meet in Riyadh next Sunday.

The plan calls for the deployment of the Lebanese army around the suburbs and coastal access roads to the north and south of Beirut, in addition to selected positions in the mountains.

The International Committee of the Red Cross said that at least 40 bodies have been recovered from the rubble caused by the biggest Israeli air raid on the Bekka since the Israeli invasion of 1982. Officials said most of the victims were civilians.

● Meanwhile, there were five separate but unsuccessful attacks on Israeli forces in southern Lebanon yesterday. These underline the urgency with which Israel is considering the question of the redeployment of its own occupation forces.

Reagan in a double bind, Page 4

Singapore opposition MP acquitted on one charge

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE'S lone opposition MP, Mr J. B. Jeyaratnam was yesterday acquitted on the most important of four charges against him concerning the accounts of the Workers Party, of which he is secretary-general. The party chairman, Mr Wong Hong Toy, who was charged with him, was also acquitted.

The decision, announced on the sixth day of the district court trial, reduces the risk that Mr Jeyaratnam could lose his parliamentary seat. The charge carried a mandatory jail sentence of up to seven years, and under the Singapore constitution an MP can lose his seat if he is jailed for more than one year or fined more than S$2,000.

However, the two men must still take the stand to defend themselves against three lesser charges which carry a maximum jail sentence of two years, a fine or both. It is being assumed that acquittal on the main charge, of making a false declaration under oath about the party accounts, will help their case.

They will appear in court again today on joint charges of fraudently delivering to others three cheques — for S$2,000, S$200 and S$400—in order to prevent such funds being handed over to creditors of the party. The main charge stated that the party accounts should have reflected these payments and were therefore false.

The judge, Mr Michael Khoo, accepted the arguments of defence counsel Mr John Mortimer, QC, that the omission of a key phrase in declarations made about the accounts meant that the prosecution had failed to establish its case.

The phrase would have stated that the declarations were made by virtue of the provisions of the Statutory Declarations Act, 1835. But the Commissioner for Oaths before whom the declarations were made was not technically empowered to administer a statutory declaration.

The hearings continue.

China investment

CHINA had some success directing investment into the key energy and communications sectors and controlling unbudgeted spending in 1983, the New China news agency said, quoting the state Economic Commission, Reuter reports from Peking. It said January to November state-budgeted investment was 20 per cent higher than in the 1982 period and the 1983 total was expected to reach Yuan 80bn. Non-budgeted capital investment raised by bank loans in the 11 months fell by 7.3 per cent and funds raised by organisations themselves dropped 4.7 per cent, it said.

Moroccan debt talks

Talks resumed in Paris yesterday on the rescheduling of Marocco's $482m debt to international banks which falls due between September of last year and December of this year, writes Margaret Hughes. Present at the meeting held at the Paris headquarters of Banque Nationale de Paris (BNP) were the 10-bank steering committee set up in September of last year, and a Moroccan team led by Finance Minister Abdellatif Jouahri. The steering committee is headed by Citibank and BNP.

The negotiations had been expected to be concluded by the end of last year but hit snags with the failure to agree terms. The 200 creditor banks have offered to reschedule the debt over seven years with three years grace at a margin of 1⅞ per cent over Eurodollar rates. But the Moroccans are seeking a lower margin of between 1½ and 1⅝ per cent over seven years with a four year grace period.

Hawke 'a gambler'

MR ANDREW PEACOCK, leader of Australia's opposition Liberal Party, yesterday accused Labor's Prime Minister, Mr Bob Hawke, of being an "irresponsible gambler," writes Michael Thompson-Noel in Sydney. He said Mr Hawke was gambling with the economy, and with the prospect of an early general election, claiming that he "could very well gamble away the life of his government." He added: "Mr Hawke is already seeking reasons, to fabricate the need for an early election, talking about November. This is just not on."

Curfew lifted

The Bangladesh Government has lifted a night curfew in Dhaka and Chittagong, a Government statement said. The curfew was imposed on December 1 after violence during anti-Government protests in which at least six people died and 500 were injured, Reuter reports from Dhaka.

AMERICAN NEWS

TWA cuts in domestic operations considered

By William Hall in New York

TRANS WORLD AIRLINES (TWA), the biggest scheduled carrier on the North Atlantic, is considering a substantial cut in the size of its domestic U.S. operations in a bid to stem its heavy domestic losses.

The option is one of several being considered by the loss-making airline as it prepares itself for its spin-off from its parent, Trans World Corporation, on February 1.

Another option being studied is the sale of the airline's big maintenance base at Kansas City which employs 3,500. TWA officials are investigating the subcontracting of the maintenance of the TWA fleet to an outside contractor who might be better able to make full use of the large facilities, currently underutilised.

The Kansas City base is an important element in TWA's domestic operations where the airline has been losing substantial sums. If TWA was to proceed with a big cut in its domestic operations, the base would be used even less.

TWA is understood to be considering pruning its domestic U.S. operations down to a level where they are largely used to service its fast growing and profitable international operations. This strategy has proved successful for its rival Pan American which has staged a remarkable recovery in its underlying profitability over the last year. Airline analysts believe that TWA, which is more heavily staffed than Pan Am, will have to take similar steps.

Ex-deputy defence secretary charged

THE U.S. Securities and Exchange Commission filed suit yesterday charging former U.S. Deputy Secretary of Defence Paul Thayer and eight others with improperly disclosing inside information involving proposed acquisitions by LTV, Allied and Anheuser-Busch. Mr Thayer, who sat on the boards of directors of these before joining the Pentagon, resigned on Wednesday because of the investigation.

Stewart Fleming explains why the U.S. Middle East policy has suffered a grave domestic setback

Pentagon and Syria put Reagan in double bind

EVEN BY Christmas, President Ronald Reagan knew that as far as foreign policy was concerned a happy New Year was not around the corner. But the misery of the first few days of January must have come as an unwelcome shock.

The intense domestic pressure to achieve an early breakthrough in the diplomatic quicksands of Lebanon, followed by the decision by President Hafez al Assad of Syria to transform the "mission of mercy" by the Rev Jesse Jackson into a diplomatic coup at the expense of the U.S. was a potent combination.

The release of the U.S. airman captured by Syria, into the custody of Mr Jackson, the black Presidential candidate, and the publication of a Pentagon-sponsored investigation into the bombing of the Beirut marine base have dramatically exposed the fragility of domestic support for U.S. policy in the Middle East.

The clearest sign of the weakness of the U.S. negotiating position, which seems not to have escaped the hard-headed realists in Syria, surfaced on December 27 at a hastily assembled Press conference held just before Mr Reagan left Washington for his holiday break in Palm Springs.

Mr Reagan attempted to pre-empt the Pentagon inquiry by claiming personal responsibility for the security failures which had helped to make the Beirut marine base a sitting target for terrorists. "If there is to be blame," Mr Reagan said, "it properly rests here in this office and with this President."

Even as he spoke the President's advisers must have feared that this approach stood only a forlorn chance of diverting attention from the crippling blow that the Pentagon report would deliver to the credibility of Administration policy.

The thrust of its conclusions was that it was the policy followed by the Administration, not just poor Marine security, which had contributed to the death of the 241 Marines in the explosion.

The Pentagon commission concluded: "There is an urgent need for reassessment of alternative means to achieve (U.S.) objectives." Describing policy over the past 15 months as "to a large degree characterised by an emphasis on military options and the expansion of the U.S. military role" it pointed out that policy decisions had greatly increased the risk to the Marines.

The report suggested that the Reagan Administration had not fully appreciated the significance of the growing military role of the Marines and ended by recommending a major shift in policy, with "a more vigorous and demanding approach to pursuing diplomatic alternatives."

At a stroke, it legitimised the simmering domestic criticism of U.S. policy in Lebanon. Although the report is seen as reflecting a division of opinion on the role of the Marines between the Pentagon and the State Department, the traditional rule that when a President is under pressure abroad, politics stops at the water's edge, was swept aside.

Reagan and Jackson . . . at cross purposes?

Within days, Mr Walter Mondale, the man most widely tipped to be President Reagan's challenger in this year's Presidential election, was calling for an early withdrawal of the Marines. So were leading Republicans who are growing increasingly fearful that U.S. Middle East policy may become a daunting burden in their own re-election campaigns later this year.

Even Mr Thomas (Tip) O'Neill, Democratic Speaker of the House, was warning the President this week that unless a diplomatic breakthrough is forthcoming soon, he will reconsider his view. Mr O'Neill provided vital support for the Administration last September in working out the compromise under the War Powers Act which allows the Administration to keep its forces in Beirut for another 18 months.

Mr Reagan has been trying to make the best of it. He has generously interpreted the release of Lt Goodman by Syria as a gesture of the willingness of Damascus to negotiate.

Following a White House meeting on Lebanon on Tuesday, he promptly despatched his special Middle East envoy Mr Donald Rumsfeld to Beirut and publically signalled his own determination to beef up U.S. diplomatic endeavours responding to an inspired reporter's question, he replied that "of course" he would be willing to meet Mr Assad if it would further the cause of peace in the Middle East.

In what may be more than just a happy coincidence, Syrian-backed factions in Lebanon and the Lebanese Government were at that moment reporting progress towards a comprehensive security plan which would help the Lebanese Government extend its influence over a larger part o fthe country.

State Department officials were cautious over whether such an agreement would smooth the path for the Marines to withdraw quickly but it is plain that the Administration is feeling the heat.

It may be forced to modify the ambitious targets it set itself as conditions for the withdrawal of U.S. troops, including for example the withdrawal of all foreign forces from Lebanese soil.

In the last few days the Democratic Party, in spite of its divisions over the Presidential nomination, has clearly been coalescing around the view that foreign policy failures, or at least the lack of noteworthy successes, can be made into a principal election campaign theme.

Mr Mondale, for example, in what was billed as a major foreign policy statement this week turned an old Reagan campaign slogan around. He asked whether after "a 1,000 days of Mr Reagan . . . we live in a safer world than we did three years ago."

On New Year's Day, Mr Averill Harriman, the doyen of the Democratic Party's foreign policy establishment, ambassador to the Soviet Union, 40 years ago, launched a bitter critique of the President's foreign policy, accusing the Administration of "nuclear irresponsibility" and saying that as a result of Reagan diplomacy "we could face not the risk, but the reality, of nuclear war."

The domestic economy is going well for the President. It is in foreign affairs that his record is vulnerable—particularly on Central America and on nuclear issues and relations with the Soviet Union. But the situation in Lebanon is becoming a critical test for the future of the Reagan Administration.

Ramphal, Scoon meet to consider co-operation

By Hugh O'Shaugnessy

THE FUTURE of Commonwealth co-operation with Grenada was the principal topic at a meeting in St George's yesterday between the advisory council to Sir Paul Scoon, the Governor-General and Mr Shridath Ramphal, the Commonwealth Secretary-General.

The Commonwealth Secretariat hs called for a total withdrawal of the forces involved in the invasion of island on October 25 as a prior condition for continuing co-operation for other Commonwealth countries.

The visit of Mr Ramphal is seen as crucial to the effort to re-establish the unity of the governments of the Commonwealth Carribean which has been at risk since the invasion. The U.S. directed invasion, which was supported by the Government of the Organisation of Eastern Caribbean States, Barbados and Jamaica, was strongly opposed by Gryana, Trinidad and Tobago, Belize and the Bahamas.

Mr Ramphal's efforts are likely to be backed by Baroness Young, Minister of State at the Foreign and Commonwealth Office, who arrived in St George's yesterday.

Lady Young is expected to offer British assistance for the completion of the Point Salines airport, a top economic priority for the development of the Grenada tourist industry, in whose construction Plessey is taking a leading role.

Price rises spark Jamaica shootings

EXTRA troops and police patrolled Jamaica's capital yesterday after three people, including a policeman, died in sporadic outbreaks of shooting, Reuter reports from Kingston.

The shootings coincided with protests by bus drivers and motorists on Tuesday against massive price rises.

The authorities said the increases stemmed from a devaluation of the Jamaican dollar in November under a stand-by credit arrangement being negotiated with the International Monetary Fund.

Venezuela oil export hopes

VENEZUELA will be able to meet its 1984 export target of 1.5m barrels per day, according to Dr Arturo Hernandez Grisanti, petroleum expert of the Accion Democratica Party and probable new energy minister under the new administration which takes office on February 2, Kim Fpad writes from Caracas.

Dr Hernandez Grisanti said Venezuela could achieve the 1.5m b/d export goal despite its Opec quota of 1,675,000 b/d and domestic requirements of about 385,000 b/d.

Budget cut for Brazil state-owned companies

BY OUR SAO PAULO CORRESPONDENT

BRAZIL'S 317 state-owned corporations — which include most large companies not owned by foreigners—have had their aggregate budget for capital spending cut by 24 per cent this year. In real terms, it will fall to a total of cruzeiros 10.28 trillion ($10.4bn). The collective budget for the companies was published by the Planning Ministry on Tuesday evening.

The nominal budget for capital spending shows a 91 per cent increase against last year's Cr 5.39tr, but set against this is a forecast inflation rate of 151 per cent for the year, according to Planning Ministry projections.

The Ministry's overall objective was to keep their aggregate deficit within the ceiling of 1.1 per cent of gross domestic product. The Government committed itself to this formula under the terms of its most recent Letter of Intent to the International Monetary Fund. The Ministry projects 1984 GDP at $340bn.

Petrobras, the oil monopoly and Brazil's largest company which last year was allocated 28 per cent of aggregate capital spending, this year gets a 35 per cent share. It takes a modest 5.3 per cent cut, in real terms, to $3.64bn at today's exchange rate. This preferential treatment reflects the country's continuing lead to reduce its dependence on imported oil.

The three large companies that account, between them, for a further 35 per cent of all capital spending this year, are:

- Electrobras, the holding company for the electric power industry, whose capital spending is to be cut 29 per cent this year to $1.42bn. Sr Cesar Cals, the Mining and Energy Minister, calls this limit "unrealistic" and is expected to lobby for an increase in the course of the year.
- Telebras, the telecommunications company, which gets an 8.1 per cent cut to $1.23bn.
- Companhia Vale do Rio Doce, the mining company, which came closer than any of the other major state-owned operations to escaping the hatchet. With a mere 4 per cent cut, it is to invest $860m this year, or more than 8 per cent of aggregate capital spending by all 317 companies. Last year its share in the aggregate was only 6.5 per cent.

Spanish official visit to Cuba

Sr Fernando Moran, Spanish Foreign Minister, left for Havana yesterday for an official visit to Cuba, David White writes from Madrid. His visit is expected to include a meeting with President Castro and possibly to advance plans for the Cuban leader to come to Europe.

A date remains to be set in co-ordination with other host countries. According to Spanish diplomats, the other countries are expected to include France and Sweden.

Sr Moran will then hold a meeting with Spanish ambassadors in the central American region in Costa Rica,

WORLD TRADE NEWS

Dutch plan to heal rift with China over submarine sale

BY WALTER ELLIS IN AMSTERDAM

SENIOR Dutch officials are planning to send a mission to China to repair damage caused to trade relations by the controversy over Dutch submarine sales to Taiwan. The mission is expected to leave in the next few months.

Last month, the Dutch Government banned the sale of submarines to Taiwan other than the two ordered in 1981 and now under construction by Wilton-Fijenoord of Rotterdam. The Taipei regime had sought to place an order for at least two more submarines, and there were strong indications of a willingness to buy surface vessels.

The total order could have been worth up to Fl 3.5bn (£795m) and its loss has been a bitter blow to Wilton-Fijenoord, which now hopes for government aid.

In a New Year statement, the Peking Government applauded the "wise" decision of the Dutch authorities not to permit the sale to Taiwan. China had reduced its diplomatic representation in The Hague to chargé d'affaire level following the 1981 submarines controversy and had also suspended various trade and technical co-operation agreements.

Now, the statement said, Holland's change of heart would have "a beneficial effect on the restoration and development of relations between the two countries." The reappointment of a Chinese ambassador seems probable.

"If the Dutch side pursues its One-China policy and stops selling arms to Taiwan," Peking added, "There are great prospects for developing political, economic, cultural and scientific co-operation."

Mr Hans Van Der Broek, the Dutch Foreign Minister, said the Netherlands could not ignore China as a trading partner and world power.

China's role as an emerging superpower, containing one-third of the world's population, as well as the prospect of renewed economic ties with Peking, had led to the Government's decision, he said.

The Minister was "extremely optimistic" about the development of economic ties with China and felt the time was ripe for a trade mission to Peking. Transport, energy, agriculture and water control were the most likely areas for closer dealings.

What seems clear is that the Dutch decision to rein back on relations with Taiwan was largely pragmatic in character.

The Economics Ministry is thought originally to have favoured an export licence for the second batch of submarines, only to have been convinced that, in the long run, the trade potential of China was greater.

Hawker companies win £30m NZ rail orders

FINANCIAL TIMES REPORTER

CONTRACTS totalling more than £30m for the electrification of the main line railway in North Island, New Zealand, have been won by four Hawker Siddeley companies. They represent the major share of the electrification contracts.

The four companies are Hawker Siddeley Rail Projects, Brush Electrical Machines, Westinghouse Signals, and Westinghouse Brake and Signal (Australia).

New Zealand Railways has retained Hawker Siddeley to provide technical assistance and to ensure the functional compatibility of all electrical and mechanical contractors' equipment on the scheme.

Brush Electrical will manufacture 22 electric locomotives while Westinghouse Signals will supply the telecommunications equipment. Hawker's Australian subsidiary, Westinghouse Brake, will undertake the signalling contract.

The contracts are for first stage of the railway's electrification, involving 180 km of track.

The Hawker bids were supported by a finance package provided by Lloyds Bank and the National Bank of New Zealand.

'Miracle needed' to save new Lome pact

NAIROBI—The EEC and the grouping of 64 African, Caribbean and Pacific countries (ACP) are so far apart in negotiations for a successor to the Lome II convention that a "miracle" is now required for them to conclude in time, ACP secretary-general Mr Thomas Okelo-Odongo said yesterday.

Lome II, a five-year agreement, expires in February, 1985. A new convention, also to deal with trade and co-operation links between the EEC and least-developed countries, needs to be signed before the end of this year.

Talks are expected to resume in late January or early February, most probably in France, and will include an ACP demand to quadruple the Stabex fund, set up to compensate suppliers to the EEC for declines in certain exports, the ACP official said.

He asserted that the 550m European units of account (£343m) set aside for Stabex in 1979-84 proved insufficient, with only half of requests by ACP-member countries being met. Mr Okelo-Odongo said differences have arisen in negotiations over European insistence on a human rights clause and a provision for "policy dialogue" during aid project implementation.

ACP states, on the other hand, desire EEC recognition that military moves by South Africa have hurt development in neighbouring black countries.

AP

Malta, Russia in bid to step up trade

A FRESH attempt is being made to step up trade links between Malta and the Soviet Union, Our Malta Correspondent reports. A number of possibilities, including increased shiprepair work for Malta Drydocks, joint industrial ventures and increased Soviet purchase of Malta-made goods are being discussed in Valletta between Government Ministers and a Soviet trade delegation headed by Mr Alexei Manzhule, Soviet Vice-Minister for Foreign Trade.

Last year, the Soviet Union placed around $7m (£4.6m) worth of shiprepair business with Malta Drydocks.

Boeing set to roll out latest model

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING, the world's biggest manufacturer of jet airliners, with more than 4,700 built to date, is to "roll-out" of its Renton, Seattle, factory in mid-January its latest model, the Series 300 version of the best-selling twin-engined 737.

This aircraft, with a stretched fuselage and new engines (Franco-U.S., Snecma-General Electric CFM-56-3 engines), has involved so many other modifications from the original 737 design that it has become effectively a "new-generation" airliner in its own right.

It comes close to the current airline industry ideas of a "150-seater," in that it will be able to carry up to 149 passengers at a time, depending on the density of the seating used. Mostly, it will be used to carry 132 and 140 passengers at a time.

Boeing has high hopes for the 737-300. Total orders so far amount to 50 aircraft firm, with another 40 on option, from six airlines.

These bring total orders for all versions of the 737 to date to 1,118 aircraft (of which over 1,000 have been delivered). This makes the 737 in all models the second-best selling Boeing jet, after the tri-jet 727, production of which has now ceased, and of which 1,831 of all versions were ordered.

The 737, however, is expected to continue in production in various versions throughout the 1980s and into the 1990s, so that Boeing believes that eventually it will outsell even the 727.

Other versions of the 737 currently under study include a Series 400, which would have a further stretch of the fuselage, and modifications to the wings; and a possible 737-500, which would have "new technology" engines, such as the projected international V-2500 engine.

These derivatives would lift the 737's passenger capacity from the 737-300's 132-140 up to 150-160, making the aircraft a genuine "150-plus seater" airliner. But Boeing has taken no decision to develop such derivatives, and does not know when it would be likely to do so.

Much will depend on the state of the world airline industry's own financial situation. At present, Boeing believes that the latest version on offer, the 737-300, is adequate to meet immediate airline needs, and it is actively seeking further orders.

Boeing remains alert to quick changes in airline views, however, and could take a decision "within days" on a further derivative, if it felt the market justified a decision, and could build it within two to three years.

The 737-300, for example, was given the official go-ahead in March, 1981, and is now rolling out, just short of three years later.

Boeing is not frightened, therefore, of any threat of an A-320 150-seat Airbus from the European Airbus Industrie consortium, since it believes it can respond at any time to market forces.

The 737-300 is likely to be a formidable force on short-to-medium range routes worldwide. The aircraft will make its first flight in March, and deliveries to customers will start in November.

The first customer is U.S. Air, with 20 orders firm and 10 on option. Other customers include Southwest of Texas, Orion of the UK, Western Airlines (U.S.), American West, and CP Air (Canada).

- Dan-Air, the UK independent airline, starts a new service between Saarbrucken and West Berlin next Monday, at the invitation of the Saarland Government, and with the approval of the Western Allies' air attaches in West Berlin.

This will be Dan-Air's second scheduled air service into Berlin.

Bahrain reassigns oil concession

BY MARY FRINGS IN BAHRAIN

BAHRAIN HAS reassigned an offshore oil concession previously operated by five U.S. companies to Kuwait Foreign Petroleum Exploration Company (Kufpec), under a 35-year production-sharing agreement which, after recovery of costs, gives Bahrain 80 per cent of any oil or gas found.

Mr Yousuf Shirawi, Bahrain's Minister of Development and Industry, has signed the agreement on behalf of the Bahrain National Oil Company (Banoco), with Mr Abdulrazak Mulla Hussain, the chairman of Kufpec.

The 660,251-acre offshore concession area north of Bahrain, lies very close to the productive Abu Safah field shared with Saudi Arabia. But the U.S. consortium (Superior, Union Texas, Cities Service, Anadarka and Zapata) drilled three dry holes before relinquishing it in March last year.

The agreement with Kufpec calls for new seismic surveys and two exploratory wells within three years. One will go down to 13,000 ft passing through Khuff Zone, which already provides Bahrain with important resources of natural gas.

The island's domestic oil production is only 42,000 barrels a day and is declining by 5-6 per cent a year.

Kufpec was set up in 1980 as a wholly-owned subsidiary of Kuwait National Petroleum Company (KNPC).

Santa Fe, also a member of the KNPC group, is expected to be a major contender for the new offshore drilling contracts.

Europe's shipyards 'face crisis'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

EUROPEAN shipyards face severe problems in winning new orders in the current merchant shipbuilding crisis and a number are likely to go out of business altogether, leading Norwegian shipbrokers say.

In their year-end reports, both Fearnleys and R. S. Platou highlighted the large volume of orders won in 1983 by Japanese yards, which are now full for the next two years.

Platou said that prices for new ships were now probably even lower than a year ago. With low order books and no major market improvements in sight, "European builders are facing a bigger crisis than ever encountered in the past."

Reporting "further gloom and despair in the European camp," Platou added: "It is suggested that the next year or two will see a further extinction of a not insignificant part of European shipbuilding capacity."

South Korea also expanded its order books sharply last year. Fearnleys said yards in Sweden, Denmark, Spain, Belgium, and Yugoslavia gained business through direct and indirect government influence.

But other European yards in the UK, West Germany, the Netherlands, France, and Eastern Europe "face almost impossible cost-related problems in obtaining any share of orders placed in international competition."

Latest figures from Lev Sychrava Associates of London showed that Japan boosted its new order intake by 133 per cent and Korea by 163 per cent in 1983, while EEC yards suffered a 33 per cent drop.

Asia-Pacific offshore drilling at record

By Maurice Samuelson

OFFSHORE drilling for oil in the Asia-Pacific area reached a record level in the third quarter of 1983 and is three times greater in the whole UK offshore sector, according to Gaffney Cline, the UK-based energy consultancy.

The activity, largely concentrated in countries adjacent to Singapore, consists of wells being drilled for development, appraisal and exploration. These form the basis for Gaffney Cline's findings.

Mr John Burney, Gaffney Cline's Aberdeen manager, said the market presented "tremendous" opportunities for UK companies active in the offshore industry.

Although the third quarter saw a general decline in new exploration wells in the area, there was a 10 per cent increase in the number drilled in Indonesia. The slackening in exploration activity was also more than offset by development drilling in Indonesia, Malaysia, Thailand and Brunei.

Gaffney Cline adds that the upsurge in development activity is due to the very successful exploration work carried out over the last two years.

U.S. airline takes option on two Airbuses

Northeastern International Airlines of the U.S. has taken out an option to buy two Airbus A-300 aircraft for its New York-Florida-New Orleans network, the Aircraft's European manufacturers announced, Reuter reports from Paris.

Northeastern International is the second U.S. carrier after Eastern Airlines to order the Airbus.

The Florida-based airline said it will operate two leased Lufthansa aircraft from next month as part of the deal before taking delivery of two aircraft tailored to its own needs.

The airline, which started operating in February, 1982, has a fleet of Douglas DC-8 and Boeing 727 aircraft.

Airbus said Northeastern would be buying a single class version of the Airbus, with space for 314 passengers.

Eastern Airlines have ordered four A300s but were not able to take delivery last autumn as scheduled. Airbus Industrie, the consortium grouping aircraft makers from France, West Germany, Britain and Spain, has said that the order has not been cancelled.

Reuter

Kobe Steel contract

Kobe Steel has won an Y11bn (£32m) order from the Alexandria National Iron and Steel Company of El Dikheila, Egypt, for a direct reduction furnace, Reuter reports from Tokyo. The electric-arc furnace, capable of making 720,000 tonnes of pig iron a year, will be built at the El Dikheila steel complex, due to be completed by early 1987. The furnace will be financed through World Bank and Japanese Government credits.

Canada steel surtax

The Canadian Government has imposed a surtax on imports of some U.S. specialty steel products, AP-DJ reports from Ottawa. The Canadian aciton was in response to the U.S. imposition last July of various restrictions on U.S. imports of specialty steel. The U.S. restrictions were prompted by imports from Europe, but did not provide exemptions for a country such as Canada, which, Canadian officials said, has been importing four times as much U.S. specialty steel as it has been exporting to the U.S.

THE ARTS

Michael Caine and Elpidia Carrillo in The Honorary Consul, and Joanna Pacula in Gorky Park

Cinema/Nigel Andrews

When only Caine is able

The Honorary Consul, directed by John Mackenzie

Gorky Park, directed by Michael Apted

Family Business, directed by Tom Cohen

There are many who will be taking refuge in the cinema in the first weeks of 1984 chiefly to escape the relentless flood of programmes on TV about George Orwell. Is there anything left we do not now know about Orwell, apart from his golf handicap and his inside leg measurement? (And I do not wish to know the answer to either).

Even in the cinema, though, shades of Orwelliana have spread over the opening films. *The Honorary Consul* and *Gorky Park* are both about political terror: in the first it's administered by young terrorists in South America, in the second by old apparatchiks in the USSR. Both films are based on best-selling novels — and the first on a very good one — but it's a photo-finish between the two adaptations as to which is the more foolish. I think *The Honorary Consul* wins by virtue of the extra effort involved in turning an outstanding book into an abysmal movie.

The brilliantly pained pulse of Graham Greene's tale of blundering terrorists in Argentina is converted by director John Mackenzie and screenwriter Christopher Hampton into a cod-Latin American adventure starring Richard Gere and Michael Caine. I am ready to pin a medal painfully on to the chest of whoever thought of casting muscle-bound heart-throb Gere as Dr Eduardo Plarr, Greene's autumn-souled English-Argentinian medico living in a border town across the river from Paraguay. Plarr it is who accidentally betrays his friend, fuddled and innocent Charley Fortnum (Michael Caine), the British Honorary Consul, into kidnappers' hands. For Fortnum is untimely ripped from his car by a band of tinpot revolutionaries in mistake for their real quarry, the visiting U.S. ambassador whose movements Plarr has plotted for them.

Ringing ironies duly cluster around Fortnum's internment in a shanty hideout, and his captors' dazed realisation that their captive's ransom value is negligible. Meanwhile, Plarr has been enjoying, if that is not too strong a word for a Graham Greene character, an affair with Fortnum's pretty ex-brothel wife (Elpidia Carrillo). During this *amour* Gere subjects us to his now statutory striptease act, engulfing the girl with biceps and buttocks in a small but resourcefully-lit hotel room.

Meanwhile too, Plarr is being pursued by the canny, speaka-wi'-de-accent Chief of Police, played by Bob Hoskins with a faceful of brown boot polish, who suspects his complicity in the kidnapping.

The Honorary Consul is, or was, Greene's own favourite among his novels. And understandably. It's an adventure vibrant with human credibility and tragicomic fallibility, and even the book's comedy—whirling around one Jorge Julio Saavedra, pompous penman of novels about "machismo"—is keyed into the central theme of overbearing political virility versus frail individual weakness. Little of this comes through in the film and indeed the character of Saavedra is left out altogether. Perhaps the makers felt there was enough comic relief already in the casting of Gere and Hoskins.

The only actor to come out of this charade with his credibility intact is Michael Caine. Caine is working marvels these days. Here he sinks himself into the sozzled, sweet-natured depths of this old duffer and resurfaces ever and anon with a thrashing, silvery truth: a perfectly turned line or a look of masterfully hopeless British pathos. Amid the film's ghastly narrative literalism, its crude echoey dubbing, its dreary photography and its laughable characterisation, Caine alone is able.

★

In *Gorky Park*, based on the best-selling thriller novel by Martin Cruz Smith, we are in Moscow where three dead bodies lie buried in the snow with their faces and fingertips sliced off to deter identification. Russian detective William Hurt, an American actor here speaking with a British accent, wonders who did it. Is Irina (Joanna Pacula), "a beautiful former Siberian dissident," involved? After all, her ice skates were found on one of the bodies and she speaks, unlike the other Russians in the film, with a Russian accent? Mysterious. Does Chief Soviet Prosecutor Ian Bannen, with his pronounced Scottish burr, know more than he lets on? And what about visiting U.S. furrier Lee Marvin, who was known to have been arranging to help the three victims escape to the West?

Also skimming into view when we least expect it is New York policeman Brian Dennehy, whose own son was one of the slain ones and who is now prowling Moscow with an air of loudly surreptitious vengefulness that would make any passing policeman clap him instantly into the Lyubianka.

The mystery, we learn during two hours of laboriously Byzantine melodrama, concerns the sable trade and an attempt to break the Russian monopoly therein. And behind the harsher atrocities lie — but of course — the KGB.

British director Michael Apted waves a baton in front of this formless potboiler with anxious and desperate bemusement, hoping perhaps that it will conduct itself. It doesn't, nor does Dennis Potter's screenplay help. Following his compatriot Hampton into the international movie thriller stakes, Potter does his best to loosen the cliches and ventilate the structure. But the writer's well-known brand of vivid dyspepsia takes on the colour of its context here and ends up sounding just like *sturm und drang* Hollywood. "It's all a poisonous farce!" spits Hurt at one point, with much force and more justice. And late in the movie the characters all take to calling each other, or themselves, whores: eg "You whore!" or "I'm a whore!" When the scandal of the furry creatures is at last solved and resolved, it's too late: the film's verbal and melodramatic overkill have already escaped. The movie has shut the sable door after the whores have bolted.

★

Rejoice, however, that the ICA is showing Tom Cohen's wonderful feature-length documentary *Family Business*, lately unveiled and hailed at the London Film Festival. This is about an ailing pizzeria in Muncie, Indiana, where the owner and his family all carry on like rejects from an Arthur Miller play. Not that they don't *deserve* an Arthur Miller play, as they biff away at the American dream with oven gloves and pizza spades. But instead of soaring, tragic-Runyonesque dialogue they speak with the hopeless, penny-plain incoherence of you and me and the rest of the unscripted world.

Fatally, sequestered from Muncie's "Hamburger Row," the street all the thriving restaurants are on, proprietor Howard Snider and his long-suffering wife and seven clamorous children (aged 14 to 26) run the tottering Shakey's Pizza Parlour franchise, which Big Boss Shakey is about to close on them. While business fractures around them, Pa still plays the guitar and sings in nightly Quixotic cabarets, Ma still disembowels vast tins of tomato puree, and the children still try to arrive late for work and close up early. Meanwhile they dream of . . . success. Or even survival.

Cohen's film, made for U.S. TV, is riveting. From small acorns great oaks may grow, and without trying for it the movie gathers both drama and resonance. It should be called *Shake-Out at Shakey's* or *More Stately Mozzarellas*. You may view it at the ICA as half of a nightly double-bill with such distinguished alternating partners, each tackling themes of American family life, as *The Godfather*, *East of Eden* and *Written on the Wind*.

UK's largest literary prize

The United Kingdom's largest single literary prize, of £12,500, will be presented for the first time in July, the Society of Authors has announced.

The Betty Trask Awards 1984 will be given to authors under 35 for their first romantic or traditional novel. As well as the £12,500 first prize, there will be up to five £1,000 travel awards. At the moment the Booker McConnell Prize heads the literary awards list with a £10,000 first prize.

Closing date for entries is February 29.

The H. H. Wingate Prize, in association with the Balfour Diamond Jubilee Trust, has been jointly awarded to Chaim Herzog for *The Arab-Israeli Wars* (Arms & Armour Press) and Chaim Raphael for *The Springs of Jewish Life* (Chatto & Windus). The prize of £3,000 was divided equally between the two authors. In addition *Heine's Jewish Comedy* by S. S. Prawer (Oxford University Press) was highly commended.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
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Giselle/Sadler's Wells

Clement Crisp

Giselle has been 50 years in the repertory of our national ballet. On January 1 1934, at the Old Vic, Alicia Markova and Anton Dolin led the then Vic-Wells Ballet in a first and famous performance. On Monday, just one day past the golden jubilee of that night, Sadler's Wells Royal Ballet presented *Giselle* again, and in a speech Dame Ninette de Valois recalled how at curtain fall 50 years before, Lilian Bayliss had stood, hands clasped, making a characteristic prayer: "Lord, dear Lord – more money, because now we've got a Ballet."

And indeed, the Vic-Wells was a Ballet, with a great ballerina to make great things possible, and it was a joy to see Dame Alicia there on stage, exquisite as ever in gesture, and a sadness to recall, in a performance dedicated to his memory, the recent death of Sir Anton Dolin.

The evening was led by Margaret Barbieri, poignant in her mad scene, and Desmond Kelly, making his farewell to classic roles. His Albrecht was marked by nobility of manner, sensitivity in dramatic playing and impeccable partnering – gifts that are not lost to us, for Mr Kelly will continue to play those other character roles to which he brings such distinction.

And to show the continuing life of *Giselle*, last night's presentation introduced a new and outstanding heroine in Evelyn Hart, known to us from her appearances here with the Royal Winnipeg Ballet. That Miss Hart is a true and compelling Giselle can be in no doubt. The peasant girl of the first act was shyly loving, tender, wholly caught up in her feelings for Albrecht, and when betrayed, infinitely sad. Her dancing was light, unforced, yet the mad scene was concentrated in emotion, with not an excessive or extravagant moment; the characterisation, piercingly felt, was piercingly conveyed to us.

As the wili, Miss Hart seemed the misty incarnation of compassion. The dance here floated and curled on the air, with tendril arms, sweetly and generously expansive limbs, fluent and most musical phrasing. It was a performance, in sum, of extreme distinction, and Miss Hart is a born Giselle whose interpretation is clear in focus, luminous in its Romantic sensibility and unerring in taste. *Giselle's* jubilee could not be better reading, with the sterling support of David Ashmole's Albrecht, and the wholehearted involvement of the SWRB artists in the drama's progress.

If the first act design now seems too obsessively russet in its autumnal tints, the staging itself is strong and well shaped.

Arts Week

F	S	Su	M	Tu	W	Th
6	7	8	9	10	11	12

Music

PARIS

Dietrich Fischer-Dieskau, Daniel Barenboim: Schumann (Mon) Salle Pleyel. (5610630).

Kiri te Kanawa, soprano, Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez: Handel, Mozart (Mon). TMP-Châtelet. (2334444).

English Concert with Trevor Pinnock as conductor and harpsichord soloist: Bach, Corelli, Handel, Albinoni (Mon). Théâtre des Champs Elysées. (7234777).

Hakan Hagegard, Thomas Schubach, piano: Schubert's Winterreise (Mon), Théâtre de l'Athenée. (7426727)

Brass Band of the Orchestre National de France: Delarue, Dauprat, Rossini, Tomasi, (Mon), Salle Gaveau. (5632030).

Vladimir Spivakov, violin, Boris Bechtierev, piano: Bartok, Shostakovitch, Schubert, Paganini (Tue) Salle Gaveau. (5632030).

Orchestre de Paris conducted by Daniel Barenboim, Michel Dubost, flute: Bach Suites for Orchestra (Wed, Thur) Salle Pleyel. (5630796).

Teresa Berganza: Guastavino, Braga, Villa-Lobos (Thur), Theâtre des Champs Elysées. (7234777)

NEW YORK

New York Philharmonic (Avery Fisher Hall) Kurt Sanderling conducting. All-Mahler programme (Thur). Leonard Bernstein conducting. Berlioz, Sibelius (Tue). Lincoln Center. (874 2424).

Merkin Hall (Abraham Goodman House): Adam Holzman guitar recital. Scarlatti, Martin, Coste, Granados, Rodrigo (Mon); Musica Camerit. Samuel Sanders director. Hoffmeister, Schumann, Starer (Tue). 67th W. of Broadway (362 8719).

WASHINGTON

Concert Hall: National Symphony. Myung-Whun Chung conducting, Claudio Arrau piano Beethoven, Prokofiev (Tue, Thur), Kennedy Center. (254 3776).

CHICAGO

Chicago Symphony (Orchestra Hall): Georg Solti conducting, Felicity Lott soprano, Diana Montague mezzo-soprano, Siegfried Jerusalem tenor, Simon Estes bass-baritone, Chicago Symphony chorus. All-Beethoven programme (Thur). (435 8111)

ZURICH

Tonhalle: Alexandre Dubach and Oskar Puhan. Leclair, Spohr, Wieniawski and Prokofiev (Mon): Tonhalle Orchestra conducted by Christoph Eschenbach with Ivo Pogorelich, piano. Bialas, Chopin, Mendelssohn (Tue to Fri).

LONDON

Robert Bridge and Jonathan Higgins, pianos. Ligeti, Justin Connolly and Busoni. Purcell Room (928 3191). (Mon 6pm).

Susan Bickley, mezzosoprano accompanied by Anthony Castro with William Howard, piano. Dallapiccola, Judith Weir, Cathy Berberian, Weill and others. Purcell Room (Mon. 7.30 pm).

Elmar Oliveira, violin and Walter Ponce, guitar. Handel Prokofiev, Suk and Brahms. Queen Elizabeth Hall. (928 3191) (Tue).

Richard Hosford, clarinet and Yeoh Ean Mei, piano. Maxwell Davies, Birtwistle, Maconchy and Howells. Purcell Room (Tue 6pm).

Sarah Leonard, soprano with Henry Ward and Catherine Edwards, pianos and Jane Salmon, cello. Skalkottas, Lutyens, Britten, John Casken and others. Purcell Room (Tue 7.30pm).

BBC Symphony Orchestra conducted by John Pritchard with Cecile Ousset, piano. Haydn and Schumann. Barbican Hall. (Tue). (638 8891).

Jill Gomez, soprano with John Constable, piano, and the Lindsay String Quartet. Schumann, including Liederkreis. Barbican Hall (Wed).

Enrique Pérez de Guzman, piano. Liszt, Falla and J. Strauss. Queen Elizabeth Hall (Wed).

Sally Beamish, viola, Alan Gravill, piano. Richard Davis, flute and Simon Parkin, piano. Boulez, Copland, Bliss and others. Purcell Room (Wed).

BBC Symphony Orchestra conducted by John Pritchard with Isabella Petrosjan, violin. Haydn and Schumann. Barbican Hall (Thur).

Helen Choi, piano with Sophie Langdon, violin and Shelagh Sutherland, piano accompaniment. Bartok, Giles Swayne, Kodaly and others. Purcell Room (Thur).

Theatre

LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "fondle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

Dear Anyone (Cambridge): Jane Lapotaire, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Paul Nicholas, Christine Cartwright and Jan Lloyd in Blondel at London's Old Vic

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced-up version of his grubbier Paris Bouffe du Nord home for a fast-paced, stripped-down seven-performer, but wholly engrossing version of Bizet. (874 6770).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430)

Agnes of God (Eisenhower): Hysterical pregnancy of a contemporary novitiate makes for emotional heat but little light in John Pielmeier's melodramatic play starring Elizabeth Ashley and Mercedes McCambridge. Kennedy Center (254 3670). Ends Jan 7

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: The week starts with Don Giovanni, sung in Italian. Die Meistersinger von Nürnberg and Lohengrin are presented with René Kollo, Hans Sotin, Ann-Marie Häzgander and Leonie Bysanek. Aida has Katja Ricciarelli in the lending role. Hänsel und Gretel rounds off the week. (34 381)

Hamburg, Staatsoper: Bach's Amadis, rediscovered by Helmut Rilling last year, is of respectable standard with Helen Donath and Carla del Re in the main roles. There has been much acclaim for Arnold Schönberg's Ein Überlebender aus Warschau / Die Glückliche Hand / Die Jakobsleiter, shown for the first time in Hamburg. The three one-act operas are produced by Peter Mussbach and conducted by Christoph von Dohnanyi. Luisa Miller highlights the week with outstanding José Carreras and Eugenie Moldoveanu and the conducting of Guiseppe Sinopoli. (33 1151).

Frankfurt, Opera: Der Türke In Italien features Paula Page and Pari Samari. Yoko Watanabe makes her debut as Madame Butterfly. Der Fliegende Holländer has Hartmut Welker in the title role, and Lisbeth Balslev as Senta. Ein Maskenball is steered to triumph by Mara Zampieri in the part of Amelia. Also Cav and Pag and My Fair Lady. (25 621).

München, Bayerische Staatsoper: Arabella has fine interpretations by Lucia Popp and Marjana Lipovsek. Tosca has Marilyn Zachau and Giacomo Aragall in the leading roles. Manon Lescaut, sung in Italian, is conducted by Guiseppe Patane. It brings together Raina Kabaivanska and Ernesto Veronelli. Die Lustigen Weiber von Windsor closes the week. (21 851).

ITALY

Milan, La Scala: Turandot conducted by Lorin Maazel, designed by Franco Zeffirelli with Placido Domingo and Katia Ricciarelli; L'Italiana in Algeri conducted by Claudio Abbado, designed by Jean-Pierre Ponnelle.

LONDON

Royal Opera, Covent Garden: Only one opera performance at the Royal Opera House this week, the rather dismal multilingual Fledermaus, with Placido Domingo conducting. On Sunday the Ravel-Varese Festival takes over the premises for a marathon of Ravel chamber music and songs. (240 1066).

English National Opera, Coliseum. The Excursion of Mr Broucek, Janacek's uneven yet magically inspired opera fantasy, returns to the Coliseum with the same team – Gregory Dempsey in the title role, Charles Mackerras as conductor – who brought it there in triumph a couple of years ago. The Traviata revival is notable for the Violetta (London debut in the role) of Nelly Miricioiu, one of the brightest young talents on the operatic scene. Madam Butterfly has Eiddwen Harrhy in the title role and the Sicilian Gaetano Delogu as an inspiring and idiomatic conductor. (836 3161).

Royal Opera House, Covent Garden: The Sleeping Beauty and Cinderella.

Royal Festival Hall (928 3191): London Festival Ballet in The Nutcracker followed by Ben Stevenson's Cinderella

Sadler's Wells, Rosebery Avenue (278 8916): Sadler's Wells Royal Ballet follows The Taming of the Shrew with an attractive triple bill.

PARIS

Don Quichotte, Ballet in three acts to Ludwig Minkus's music, choreography by Rudolf Nureyev after Petipa, production by Rudolf Nureyev, and costumes by Nicholas Georgiadis, conducted by André Presser/John Lanchbery at the Paris Opera – Palais Garnier (266 5022).

Ballet Théâtre de l'Arche presents May 8, a creation by Maguy Marin inspired by Beckett treated with the theatrical gift of a Pina Bausch, Théâtre de la Ville (274 2277).

Duke Ellington's Sophisticated Ladies – a musical by Donald McKayle and Michael Smuin – are about to end their swinging run at the TMP-Châtelet (233 4444).

NEW YORK

Metropolitan Opera (Opera House): The first seasonal performance of Peter Hall's production of Macbeth, premiered last season, stars Renata Scotto as Lady Macbeth and Sherrill Milnes as Macbeth. The 16th week of the centenary season also includes Mahagonny, La Bohème and the last seasonal appearance of Tristan und Isolde, conducted by James Levine with Hildegard Behrens as Isolde and Manfred Jung as Tristan. Lincoln Center (580 9830).

New York City Ballet (New York State Theatre): The company's regular season of mixed repertory resumes with performances of The Goldberg Variations, Mozartiana and I'm Old Fashioned, among others. Lincoln Center (870 5570).

Exhibitions

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Willem de Kooning (Whitney): This major retrospective with 250 works covering the artist's entire career is divided into drawing and painting and sculpture sections. Half the exhibits are drawings and there are 25 sculptures. Ends Feb 19.

Kandinsky (Guggenheim): More than 300 works limited to the early Russian and middle Bauhaus periods from 1915 to 1933 is the second in the museum's comprehensive reconstruction of Kandinsky's peripatetic and prolific career. Also included in the show are the works of contemporaries including constructivists like Malevich and Lissitzky as well as German and Bauhaus artists like Moholy-Nagy Miles van der Rohe and Paul Klee. Ends Feb 12.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8

Hirshhorn: 136 works by 62 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

Leonardo's Last Supper (National Gallery): Although the refectory of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4

CHICAGO

Museum of Contemporary Art: 46 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

WEST GERMANY

Berlin, Akademie der Künste, 10 Hanseatenweg: Designs, furniture, drawings and publications by Adolf Loos, the Austrian architect and master craftsman (1870 to 1933). Ends Jan 15

Brunswick, Herzog Anton Ulrich Museum, 1 Museumstrasse: French Painting from Watteau to Renoir has 70 landscapes, still lives and portraits from the 18th and 19th centuries. Ends Jan 22

Bremen, Kunsthalle, 207 Am Wall: A survey of the work of Odilon Redon (1840 to 1916), the French symbolist painter. It comprises 200 oil paintings, pastels, drawings and graphics. Ends Jan 22

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: Expressive paintings and coloured bronze sculptures by Sandro Chia, created by the Italian "fauve" artists between 1975 and 1983. Ends Jan 22

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: Picasso sculpture. The 197 pieces – made of wood, plaster, bronze, wire wrapping and rolled iron sheets – span all periods. Ends Jan 29

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is showing chiefly Heckel's early work. There are paintings, drawings and watercolours. Ends Feb 2

Bonn: Rheinisches Landesmuseum: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and postcards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay; palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

PARIS

Raphael: Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (260 3926). Closed Tue. Ends end of Feb.

Balthus: in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue. Ends Jan 23 (277 1233)

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Unesco has been warned

IT WOULD be hard to quarrel with the basic objectives of Unesco, the United Nations agency which seeks to promote educational, scientific and cultural exchanges among member states. The spread of literacy, for example, particularly through the benefits of modern technology, is an ideal task for a worldwide institution of this nature. Unesco plays its part in that.

Yet it is not easy to quarrel either with the U.S. decision to withdraw from the agency by the end of this year, unless Unesco mends its ways.

Leeway

Part, though only part, of the problem is that the U.S. provides one quarter of the budget, yet has only one vote—on a par with, for example Mali. That would not matter if the funds were well spent. The sums involved are not all that large: a total budget of $374m (£265m) for the two years 1984-1985. But the charge against Unesco, which comes not only from the Americans, is that the agency has become excessively politicised, that it is hostile to the basic institutions of a free society such as a free market and a free press, and that it is guilty of unrestrained budgetary expansion.

Those are broad words, which leave a lot of leeway for interpretation. And there must be some sympathy for the aims of the developing countries within the organisation. For instance, poorer countries understandably feel aggrieved when so much of the exchange of world news is handled by news agencies which are based in the industrialised west. Hence the demand for a new world information and communications order (NWICO). Hence, too, the readiness of a sub-group of Unesco to provide funds to get the Pan African News Agency off the ground.

By and large, however, the charges are pertinent. Unesco in general has gone in for the kind of third world politics which consists of a more or less permanent campaign against the institutions of the west. More recently, the third world countries have been joined by the Soviet bloc. A Soviet proposal at the last general conference in November, if accepted, would have asked governments effectively to proscribe any publications that were judged to have transgressed guidelines laid down by Unesco. There have been earlier calls for the licensing of journalists. And as for the discussions on human rights, the Soviet concept and that of some third world countries is quite different from what is held in democracies. The Soviet view is that it is for the state to decide. The west, at its best, believes in individuals. That is a view worth upholding.

The November conference turned out to be much milder than some of its predecessors, partly no doubt because the possibility of U.S. withdrawal was in the air. The Unesco budget was increased by rather less than the organisations had hoped and the more extreme proposals on NWICO were shelved. Nevertheless, the U.S. has exercised its right to give notice of departure.

It is right to do so and the action should not be seen simply as another sign of President Reagan's trigger-happy diplomacy. The U.S. withdrew from another UN agency — the International Labour Organisation —in the 1970s under President Carter, though notice was first given by President Ford. The motive was much the same: the agency had become too politicised. The ILO survived, partly through special voluntary contributions, and reformed itself, so that the U.S. eventually returned.

Reform

It is just that kind of kick in the pants that Unesco needs. The Articles allow for any country giving notice of withdrawal to rescind the decision before 12 months are up. Possibly Unesco will reform itself within that period, though that is unlikely. But even if America goes, Unesco can continue. It will be obliged to cut its coat to size.

Other Western countries, including Britain, have chosen to stay while understanding the American position. That again is a proper judgment. It means that the agency can go on with sufficient democracies participating to seek its reform. Besides, a great many of the aims of Unesco can be achieved without a UN organisation. The only pity about recent Unesco meetings is that never once have the members of the European Community succeeded in making even a joint statement. So much for European unity.

The poor and the labour market

THE TUC's Budget proposals, which are this year being issued, like a Dickens novel, in instalments, are explicitly intended as propaganda. The preamble complains that the Government has not lived up to its vaguely-expressed intention of producing a "green" Budget which would then be the subject of genuine consultation. The TUC does not expect to have its advice taken.

In these circumstances there is no need to comment on the detail of the proposals, for the details are simply illustrative of the chosen theme. The TUC may even be forgiven for costing all its spending proposals in financial-year rather than full-year terms—the figures are deceptive, but a high standard of disclosure is not to be expected in a propaganda document. It is the themes that matter.

Distinctive message

There are two general themes—a familiar attack on the Government's whole economic strategy, appealing to the example of the labour movement's improbable new fiscal hero, President Reagan; and a call for measures to relieve poverty. The fiscal theme will no doubt be developed more fully, complete with demonstration runs on the Treasury computer model, in the coming weeks. The message on poverty is distinctive and deserves serious attention. The problem is distressingly real; and it is interesting to see the TUC turning its attention to the needs of those who are not its members—children, the unemployed and the retired.

The main measures the TUC proposes are higher benefits for the long-term unemployed; a rise above the requirements of indexation off the tax floor; a substantial increase in child benefit, which should not be taxed; and a rise in retirement pensions aimed to restore part of their old relativity with earnings in work.

In the most general terms, the broad thrust of these proposals—that the relief of poverty should now have a higher priority than any further restoration of incentives—has considerable appeal. The economy is now undergoing a massive and painful structural change which has claimed many innocent victims. Union resistance to change may have made matters worse, but only at the margin; this is a problem which afflicts all developed countries, and most acutely Europe. Income support in Britain is low by the standards of other countries, especially for the long-term unemployed.

There are two approaches to this problem. Where egalitarian and union pressures have kept pay differentials narrow compared with the value to the employer of different skills and thus effectively priced many people out of jobs (this is declared TUC policy, which aims at a minimum wage of two-thirds of the average) unemployment is likely to be high. This has produced our present situation, where unemployment support must be kept deplorably low simply to limit total cost.

The alternative is to make low pay for low skills socially tolerable by means of higher levels of unconditional support for family incomes—the case for the higher child benefits which the TUC demands. But these could be higher in real terms, and much more redistributive, if they were taxed. The TUC's approach is not internally consistent—but nor is that of the Government. We have often stated our own preference for a level of family income support generous enough to allow the labour market to work, which is Conservative philosophy but not yet Conservative practice.

Better incentives

A more effective attack on the poverty trap — another unfulfilled government intention — would also help to produce better incentives at low pay levels; and a better functioning market might help economic growth, and so increase the possibility of maintaining existing real pension levels as demand rises. Failing that, preserving pensions will be an increasingly difficult problem, let alone ratcheting them upwards.

FOREIGN AFFAIRS: THE EEC CRISIS

No time for brinkmanship

By Ian Davidson

Ashley Ashwood

What hand will President Mitterrand choose to play?

MRS THATCHER has a quite uncanny knack of saying the wrong thing. In a TV interview on Wednesday night, she reiterated her familiar tough line on the £450m budget rebate due from the European Community, and seasoned it with a virtually explicit threat that, if the money were not paid by the end of March, the British Government would start withholding budgetary contributions to the Community.

Yet it should be obvious that, of all the issues at stake in the current Community crisis, this is the wrong one to concentrate on; that if she must talk about the budget rebate, bellicose threats are out of place and in any case unnecessary; and that the first week of 1984, which ought to be the start of a fresh phase of the Community negotiations, under French presidency, is the wrong moment to adopt a menacing posture.

First, the wrong issue. The inequity of the Community's budgetary arrangements, which mean that relatively small farm producers like Britain pay far more into the Community than they get out, has long been a sore point in London, and with good reason. But of the seven major issues which constitute the agenda of the current Community crisis, the date of the payment of the 1983 rebate must, by any calculation, be the least important, even for Britain.

This agenda, which at last month's Athens summit produced only comprehensive failure, is on an entirely different scale. First, there is the British demand for an entirely new and permanent *system* to ensure that in future no member state contributes an unfair share of the Community budget. Second, there is the British demand for strict rules to control expenditure from the Community budget, and within this budget to ensure that agriculture gets a declining share.

Third, there is the British demand for reforms to get a grip on the Community's increasing output of unsaleable farm surpluses. Fourth, there is general agreement that the Community must identify new policies which will help deal with problems of unemployment and industrial decline. Fifth, there must be agreement on terms of entry for Spain and Portugal. Sixth, if all other issues are settled, Mrs Thatcher may agree to an increase in the Community's revenue from taxation. Seventh comes the British rebate for 1983.

Traditionally, Britain's rebates have been paid by the end of the UK financial year, ie the end of March. But strictly speaking, the Community's obligation is to make payment during the calendar year of 1984. Moreover, the delay in payment has been imposed by the European Parliament, not the other member states, and this delay is only until the end of March.

In any case, British threats are by now otiose. If Mrs Thatcher does not get her way on essentials, she can simply sit tight, for by mid-summer the Community will start to run out of money; even before then, the Community must plan for a cash crunch, for example by freezing farm prices this spring.

Finally, the error of timing. To this day, nobody in London knows why the Athens summit went so disastrously wrong. Just before it, French ministers were starting to move towards Britain on the critical questions of a system for limiting net budgetary contributions, and of a system for controlling Community expenditure.

Was President Mitterrand ill-informed on what his ministers had been saying, or did he change his mind at the last minute?

Confidence in Nato strategy has been seriously weakened

One speculation is that he decided to block a process which was bound to entail major concessions by France, at least until after the June elections to the European Parliament, which will inevitably be a major test of the popularity of the socialist Government in France.

The most optimistic assumption is that the French Government has not yet decided how to play the hand. The signs seem to be that it has gone into a huddle, and may not emerge from it until January 16. For on that day, as the new President of the Council of Ministers, Claude Cheysson, the French Foreign Minister, will tell the European Parliament how France intends to manage the crisis and the negotiations for the next six months. In which case, this is a very odd week for the British Government to start uttering narrow threats.

In any case, the dangerous instability of the international context within which these Community struggles are taking place should advise against intemperate words and actions. All previous crises were conducted on the insouciant assumption that the member states were free to smash some diplomatic crockery without seriously endangering Europe's prosperity, its solidarity, or its security. No part of this assumption is safe today.

Every single European government is wrestling with inflation, unemployment and the excesses of the welfare extravagance inherited from the good old days, and praying that some kind of competitive recovery can be achieved before it is undermined by U.S. interest rates. But if the EEC negotiations go wrong, this evident community of interest may not be strong enough to withstand domestic pressures for nationalistic fragmentation.

The security context is even more unpredictable. A number of European countries went along with plans for new U.S. cruise and Pershing II missiles in the belief that there would be effective arms control negotiations with the Russians, if not before, at least after the new weapons started being deployed. Instead we are faced with the indeterminate collapse of the Geneva negotiations, and the prospect of a further ratchet in the super-power arms race.

Nor is that all. Both the super-powers — the Reagan Administration with wide-eyed naïveté—are energetically exploring the technological possibilities of "star wars" anti-missile defences and anti-satellite warfare. Were they to put their explorations into practice, they might so destabilise mutual deterrence as to risk precipitating the holocaust; were they to succeed in erecting effective missile defences for both of their national territories, they would destroy the marginal credibility of the British and French nuclear deterrents, and expose Europe alone to the blackmail of nuclear *intimidation.*

The Americans pound the drum for the Europeans to increase their defence spending. Yet these demands only acquire their full significance when Washington pursues the one high-tech strategy in which it can plausibly hope to keep well ahead of the Russians, and the one which is most likely to abandon Europe to its own devices.

Support for the Atlantic Alliance remains generally strong in Europe; but confidence in Nato's military posture, in which nuclear weapons are supposed to serve defence as well as deterrence, has been fatally undermined. Fatally, because the flaws in the military doctrine which were once confined to the secret thoughts of statesmen and strategists, have now been brought right out into the open; fatally, because the controversy has focused the attention of scientists, and their latest analyses suggest that any nuclear exchange would be worse by several magnitudes than earlier calculations had indicated.

Popular confidence in Nato security is now not likely to be restored unless there is a substantial adjustment of Nato's dependence on nuclear weapons, and unless there is also a palpable rapprochement between Washington and Moscow. President Reagan may have believed in a mission to combat the "evil empire;" in practice his confrontation with the Soviet Union precipitated a controversy which has seriously weakened confidence both in Nato strategy and American leadership.

Mitterrand, Kohl, Craxi and Thatcher have all managed to combine firm support for Nato and cruise deployment with conciliatory calls for dialogue with the Soviet Union. The first major opportunity for such a dialogue will occur the day after M Cheysson's speech in Strasbourg, with the opening in Stockholm of the Europe-wide conference on confidence-building measures. But the odds must be that the Russians will use the occasion for propaganda, and that the U.S. President will stick to his anti-Soviet line. If a second Reagan term were to mean another four years of U.S.-Soviet confrontation, the political consequences in Europe could be destabilising.

Mrs Thatcher must weigh up the price of total victory

In short, the stakes for European leaders are now very high indeed; when the old certainties have worn out, and the future looks less predictable, histrionics are out of place. After the Russians walked out of the Euro-missile negotiations, I wrote a piece which was headlined *A Turning Point in East-West Relations.* An American diplomat called me: "I liked the piece," he said. "I'm not sure it's a turning point in East-West relations, but it's a turning point in something." A British diplomat said the other day: "I have a sense that new lines may be in the process of being drawn on the world map."

One constant is that Germany will remain the fulcrum of the European map; another is that, amid misgivings on U.S. policy and nuclear issues, German attitudes may be critically dependent on the solidarity of their European neighbours and the cohesiveness of the European Community.

It is therefore essential, not merely that the EEC negotiations end in an agreement which can be ratified in 10 national parliaments—that goes without saying—but that it should be an agreement with which all governments can be pleased; one which, as President Mitterrand has said, would inaugurate a new, dynamic era for the Community. And that means a set of compromises between Britain and France.

With the Community fast running out of money, the noose is tightening around the necks of the countries which have benefited most from the bad old ways, and the rope is in Mrs Thatcher's hands. In theory, she can hang on until she gets the last syllable of her unchanging demands: a permanent solution to the British budget complaints, strict control of Community spending, a declining share on agriculture, and a reform of farm policies. But what Mrs Thatcher must weigh up is whether the price of total victory for Britain and total humiliation for France may not be dangerously high in political terms. The time has perhaps come to indicate some slackening of the noose.

Of course, some things cannot be negotiable. There must, for example, be a *system* for dealing with the British budget complaint: no British government could accept a return to the demeaning annual squabbles over *ad hoc* rebates. But there may be room for argument whether such a system need be both immutable and eternal.

Secondly, there must in future be a much tighter system for disciplining Community spending. This should cause no great difficulty, since Britain, France and Germany have all agreed on the principle (at least until Athens); more delicate is the subordinate proposition that farm spending should be especially tightly controlled, so that it falls as a share of the total.

Here there could be trade-offs with the British budget problem. With Draconian controls designed to bring farm spending down from two-thirds to one-third of the Community budget within a measured period of years, the UK ought to be able to soften on both the terms and the duration of the British budget solution. Conversely, if there were no effective reduction of farm spending, Britain would need a very generous and permanent solution to its own budget problem.

The permutations could be endless—meat and drink for ingenious negotiators. But the point is that a really successful agreement, which produced smiles as well as sighs of relief, would be worth several tens of millions of pounds a year. Conversely, a strategy of brinkmanship, aimed at extorting every last concession, could be a very dangerous game indeed.

At stake is a negotiation which, if successful, may offer some hope of a more harmonious, a more constructive, and a more secure Community; and which if unsuccessful leads to the edge of a cliff. This is not the moment for writs, bailiffs and dunning letters.

Men & Matters

School ties

Businessmen and bankers, looking for reassurance about their trade and investments in Nigeria, have been relieved to hear that, true to his title, the permanent secretary for finance, Alhaj Abubakar Alhaji, has stayed in the post.

He has been a key figure in Nigeria's negotiations with the International Monetary Fund and the coterie of international banks, export credit agencies and individual suppliers, attempting to reschedule the country's huge trade arrears and arrange further finance.

Bankers saw his survival as an adviser to the new government as crucial to its international reputation, and an indication of its determination to tackle the country's economic crisis.

A Fulani aristocrat from the state of Sokoto—he is a nephew of the Sultan—Alhaji Abubakar enjoys a reputation as a highly competent technocrat and a tough negotiator who is equally capable of enlivening meetings with quotes from Shakespeare and Jane Austen, as well as from the Koran or Sokoto proverbs.

He was always regarded as being very close to the deposed head of state, President Shehu Shagari, who had taught him in school in Sokoto, and who in turn was taught by Alhaji Abubakar's father.

But he seems to be just as well-connected with the new head of state, Major General Mohammed Buhari.

Friends of the permanent secretary say that not only was he at school with Maj-Gen Buhari, he was even at one time his prefect.

"Well at least we agreed who gives out the memo pads and who sharpens the pencils..."

Foreign aid

Walter Goldsmith, outspoken director-general of the Institute of Directors, is a relatively well-known figure in Britain. But among the German working classes he is now a household face.

His distinguished features have been displayed round German factories for several months and one of his many pronouncements has been immortalised in a German translation. Why the interest?

About a year ago Goldsmith was host to some West German journalists. During the briefing one reporter asked what Goldsmith thought of the campaign then under way by the German unions to reduce the working week.

The intrepid boss of bosses replied: "We are delighted that the Germans are inclined to combat unemployment by introducing shorter working hours. The German economy will thus become less competitive and this can only benefit the British economy."

This gem appeared in the German papers. And, knowing a good quote when they see it, the West German employers' organisations slapped it on a poster complete with a photograph of the sage of Pall Mall—and got the posters around their plants sharpish. Much satisfaction is reported from the bosses' side that they have such distinguished assistance in their opposition to reducing working hours.

Goldsmith is less pleased. His remarks could assist in creating the opposite state of affairs from the one he expected. He has ordered his staff to comb West Germany for a similarly prominent figure to say the same things about the British unions' current campaign for cuts in working hours.

Late decision

The news that Neil Mills, aged 60, chairman of Sedgwick Group, Britain's largest insurance broker, will retire in April is intriguing quite a few people in the London insurance community.

A forceful character who has chaired Sedgwick and its predecessor companies for the last 19 years, Mills said only last March that he would be staying on until Deceber 1985. Writing in Sedgwick's annual report he said he had accepted the board's invitation to stay on for two years beyond normal retirement age.

Some observers wonder whether Mills' decision to go reflects the final failure of Sedgwick's attempts to link with Alexander and Alexander Services, a New York broker. A big U.S. acquisition would have put the seal on Sedgwick's rapid expansion over recent years.

Carel Mosselmans, aged 54, who takes over as chairman is also a long-time Sedgwick man but with a very different style to his predecessor.

It is unclear whether Mosselmans will lift the veil of secrecy that has annoyed many analysts.

Sedgwick has steadfastly refused to break down its earnings into brokerage fees and investment income, although most of its competitors do provide that information.

Mills had a habit of telling analysts that his company's good profit figures came simply because Sedgwick "was better" than its competitors.

High estate

An unnamed national charity is to get a multi-million pound windfall, following the recent death of Harry Ellard, reputedly one of the wealthiest men in the West Midlands.

Ellard, who died on Christmas Day at the age of 86, made his first fortune in the pre-war years from the industrial pressings company he founded, but later invested in property and farm land, indulging his love of farming.

The most valuable asset in the estate is the 1,700-acre Broadstone Estate near Chipping Camden in the Cotswolds, which is estimated to be worth more than £3m.

In addition, there are two smaller Cotswold farms, and a 100-room Georgian mansion, Compton Verney in south Warwickshire, where the television film of Iris Murdoch's novel, The Bell, was made.

Ellard, a bachelor, was regarded by some as an eccentric because he drove an 11-year-old Austin 1300. But his nephew, Nigel Timmis, works manager of the pressings company, H. Ellard (Wednesfield), said: "In fact, he was a Lagonda enthusiast, but sensible enough to drive a small car in the Birmingham traffic."

Timmis said his uncle had spent most of his life working with his employees rather than overseeing them. "He liked to be able to do every job in the factory as well as the men he employed. He was still going there at the age of 70."

Observer

COMPUTER INDUSTRY RIVALS

IBM's message for Japan

By Charles Smith in Tokyo

JAPANESE COMPANIES and the Japanese Government are admired for their skill at putting together industrial development strategies calculated to take over sections of industry that were once dominated by Western industrial nations, or that the West might have liked to move into, given time and opportunity. Recently, however, Japan seems to have been getting a taste of its own medicine.

IBM Japan, the wholly-owned, Tokyo-based, subsidiary of the U.S. computer giant, has launched a wide-ranging campaign to claw back some of the share of Japan's domestic market the company lost in the late 1970s. The campaign may result in a painful readjustment of the order of precedence inside Japan's computer industry. As the following series of questions and answers indicates, it should also reveal whether IBM is right in believing that Japan's Big Three computer makers represent the main long-term threat to its world-wide supremacy.

Why did IBM start losing out in the Japanese market?

A major reason was the determination of the Japanese Government to build up the domestic computer industry as a strategic sector of the economy. With this end in view the Ministry of International Trade and Industry sponsored a series of programmes during the early and mid-1970s whose specific objective was to help companies such as Fujitsu, Hitachi and NEC develop mainframe computers that could compete directly with IBM's biggest machines.

The MITI programmes grouped six of Japan's leading electronics companies together into three teams which worked together under Ministry auspices to design hardware that could beat IBM. By 1975 the Hitachi-Fujitsu team had developed the "M" series of computers. A second group consisting of NEC and Toshiba came up with the ACOS series of non-compatible computers while Mitsubishi Electric and Oki developed the Cosmo series.

The debut of the ACOS and M series meant that from about 1976 onwards Japanese computer makers were matching IBM's performance as a hardware manufacturer but this achievement alone does not seem to explain why IBM Japan was pushed out of the top spot in the Japanese domestic market in 1979. A second reason was IBM's rigid insistence on applying to Japan the same business strategies that the corporation had used throughout the world since its foundation.

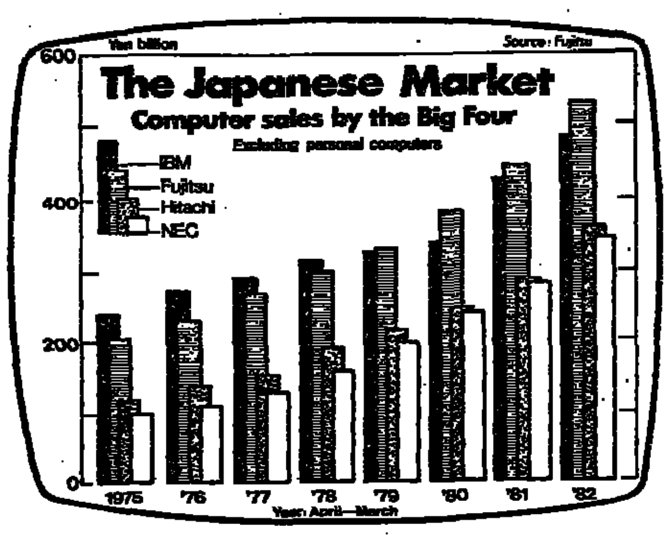
These included centralised development of computer hardware and software, on the assumption that all markets for computers were basically the same; a marketing policy which stressed direct sales through the company's own sales force rather than the construction of dealer networks; and a rigid adherence to fixed prices (except when negotiating bulk orders).

Mr Takeo Shiina, president of IBM Japan, is believed to have argued for a more flexible approach to the Japanese market in the late 1970s but the message took time to get through. His warnings about the need to adapt to "unique" Japanese conditions probably began to get attention only when IBM realised that—even in the U.S.—its traditional approach to the design and marketing of computers needed some rethinking.

What are the main changes that have so far taken place in IBM Japan's strategies?

The one that became apparent first to IBM Japan-watchers was a new approach to marketing. IBM still uses the direct sales oriented method for its top-of-the-line computers such as the 308X system. But the company now also operates a leasing system via a joint venture company (formed in January 1983) with Morgan Guaranty and Orient Leasing, Japan's top leasing specialist.

For medium-sized computers IBM radically altered its marketing strategy in early 1982—to make use of independent dealers who are also either actual or potential customers. The first network of 15 independent dealers was put together in March last year to handle sales of the System 23 series. In the spring of 1983 more dealers were brought in to sell the 5550, a new, 16-bit, small business computer developed by IBM Japan itself.



Brana Radovic


Mr Takeo Shiina, president of IBM Japan

How about changes in production or development strategies?

IBM Japan, like IBM Corporation itself, used to place heavy stress on self-sufficiency but the company has made a 180-degree turn recently in this respect. The 5550 computer (which has brought IBM from nowhere to the number five slot in Japan's ultra-competitive personal computer market since the beginning of 1983) consists of a processing unit made by Matsushita, a printer produced by Oki and a keyboard made by Alps Electric.

IBM Japan's Fujisawa works designed the operating system for the 5550 in consultation with Microsoft of the U.S. (the company which also wrote the software for IBM's PC personal computer). Apart from that, its main role has been that of a co-ordinator.

Does not the switch towards buying in components or even complete "sub-assemblies" mean that IBM is becoming dangerously dependent on potential rivals in the Japanese electronics industry?

It could mean that. But the building of a network of alliances within Japan seems to be very much a part of the company's strategy. Since last year IBM has been holding talks with Matsushita on the formation of a joint venture which would mass-produce low cost information processing products, probably for export to the U.S. It has also taken pains to cement a special relationship with Nippon Telephone and Telegraph (the Japanese state telecommunications entity) and to reinforce long-standing ties with the Mitsubishi group.

An intriguing extension of IBM's alliance with the Mitsubishi group was the formation in October of two three-cornered joint ventures with Mitsubishi Corporation and Cosmo 80 to develop software systems for telecommunications use and to train systems engineers. The venture pointedly left in the cold Mitsubishi Electric Company (the computer manufacturing member of the Mitsubishi group) which is said to have learned about it from the newspapers.

If the company is trying hard to make friends in Japanese industry, how about its strategy for dealing with "enemies"?

Mr John Opel, IBM's chairman, insisted at a press conference in November to mark IBM's first board of directors meeting in Tokyo that the company wants to explore ways of co-operating with big Japanese computer makers such as Hitachi and Fujitsu. He also said IBM was ready to compete with its Japanese rivals in any way that might prove necessary. Recently the emphasis has been on the competition rather than the co-operation.

In October IBM forced Hitachi to pay the costs of a civil suit arising out of allegations that Hitachi had been stealing IBM technical secrets in California. As part of the settlement IBM will be allowed to "inspect" all new information processing products which Hitachi develops for commercial purposes over the next five years.

Hitachi says the inspection clause means only that from now on it will be obliged to sell IBM one unit of each new product at about the time it is released on to the market. The clause, however, has done little for Hitachi's image as an innovator while enhancing that of IBM as a company which knows how to throw its weight around.

The hardware component of IBM's recent settlement with Hitachi has received the main publicity to date, but it may well be that the separate agreement reached over software represents a much bigger victory for IBM. In effect, Hitachi appears to have promised to stop supplying the Japanese companies that buy its IBM-plug compatible computers with operating systems that are similar to those developed by IBM.

About 40 Japanese companies which are already using such systems will be asked to sign new software contracts with IBM in addition to those they already have with Hitachi, which will pay the difference in cost between the old and the new contracts. Together with other unspecified software payments to IBM that could work out at Y500m to Y1bn a month.

Fujitsu, the other Japanese maker of IBM-plug compatible computers says it has reached an "amicable agreement" with IBM on software but declines to give details. Both Fujitsu and Hitachi now face the task of buckling down to develop software of their own which will be different enough from that of IBM to escape further copyright "persecution." Hitachi expects to complete this task by March 1985 but there is no certainty that its home-grown operating systems will be as good as those of IBM.

A snag about the Hitachi settlement to which the company has not drawn attention is that software payments to IBM will rise in proportion to sales of computers—at least so long as Hitachi has to continue using software which is broadly similar to that of IBM. Lack of confidence in Hitachi computers by customers who might fear possible further legal problems with IBM is another worrying aspect.

Would it be fair to say that, as a result of the Hitachi case, IBM has got the Japanese makers where it wants them?

Some Japanese newspapers described the outcome of the case as a "total defeat" for Japan, but IBM has not given the impression that it sees things that way. One reason for the company's reluctance to claim a victory could be the fact that it still depends on Hitachi for the supply of the 64 kilobit mass produced memory chips that are an essential ingredient in many of its computers. IBM began mass-producing its own 64 kilobit chips in Japan last summer, but the company may need time to wean itself from dependence on Japanese suppliers.

A second point is that, when all is said and done, Japanese computer makers continue to produce hardware that costs less than that of IBM for the same level of performance. Hitachi, NEC and Fujitsu all have fingers in other pies besides computers (although Fujitsu is relatively more dependent on its computer division). It would be surprising—if at least one of the three could not muster enough energy to continue giving IBM a fair run for its money.

Lombard

The best of British

By Richard Lambert

IBM, Hewlett-Packard, General Electric, Boeing—these and half a dozen other top-flight U.S. corporations have just been awarded a special mark of distinction. According to a poll of over 7,000 corporate executives and financial analysts conducted by Fortune magazine, they have been named the 10 most admired companies in America.

Those surveyed were asked to rate the 10 largest companies in a range of 25 key industries on the basis of eight criteria. These included quality of management, and of products or services; innovativeness; financial soundness; and long-term investment value.

What is striking about the list is the number of companies on it which are world leaders in their sector. Another feature is the broad range and diversity of industries covered, all the way from computers to beer. There is an emphasis on high technology, and on the manufacturing sector in general.

No one, so far as I know, has conducted a similar survey of UK companies recently. But the chances are that it would throw up a very different set of qualities and attributes. Most people in the business and financial community would probably put Marks and Spencer high up on any list of the UK's most admired corporations. There would be much debate about the other nine, but candidates would certainly include the likes of GEC, Sainsbury, BTR and Hanson Trust. BOC would be in there with a chance, and so would Grand Metropolitan and Trusthouse Forte, perhaps along with Beecham and Racal.

If you accept that this list is anywhere near the mark, the contrasts with the U.S. top ten could hardly be more glaring. Few of the companies named are unquestioned world leaders in their particular industries: most of them are small fry by international standards. Several have comparatively little exposure to international competition in their main market, either by virtue of their emphasis on the service industries or because of the support they receive from one or two major domestic customers, such as British Telecom or the Ministry of Defence.

Only a few of these companies are involved in high technology industries, and several make a positive virtue out of their specialisation in low risk products. Hanson with its bricks, BTR with its components, BOC with its industrial gases: these are low risk/low growth businesses, where the key to success lies in strong management and a determination to keep a tight grip on capital employed.

AMERICA'S MOST ADMIRED CORPORATIONS

IBM
Dow Jones
Hewlett-Packard
Merck
Johnson and Johnson
Time Inc.
General Electric
Anheuser-Busch
Coca-Cola
Boeing

Source: Fortune

This leads on to another characteristic of the British list — a very strong emphasis on financial controls, and on activities which generate a fairly rapid pay-off. This is also present in the U.S. list, of course, but perhaps not to quite the same extent. How many British companies, for instance, would have been willing to make the kind of enormous long-term investment in their industries that Boeing has undertaken on its new range of civilian aircraft, or that IBM committed to product development in the late 1970s? UK companies, by contrast, are likely to be at least as interested in acquiring assets from someone else as in building them from scratch.

There is nothing wrong with the characteristics of these British companies. Indeed, it would be easy to think of half a dozen sleepy UK companies which could only benefit from a vigorous dose of the Hansons or the BTRs. All the same, it is hard to avoid a feeling of depression when comparing the two sets of names. No doubt for good reason, the most successful British companies seem to be simply less ambitious than those in the U.S. or on continental Europe. Their shareholders have been well served by their caution — but where are the British world leaders?

Letters to the Editor

British Airways—route licensing policy

From the Chairman, Air UK

Sir, — Your readers have already heard a great deal of argument on air route licensing policy and will hear more, but it is really not possible to let Lord King's letter of December 20 go unanswered.

He talks about two basic misconceptions and then produces quite arbitrarily selected statistics to prove his point. He contends, for instance, that British Airways has only 41 per cent of total international passengers through Heathrow and therefore cannot be considered a monopoly. Bearing in mind that within the normal inter-Government deals and the various pooling schemes which British Airways is party to, many routes are split between national carriers on an equal basis, then 41 per cent in fact represents 82 per cent of the available share. Many of these routes are effective monopolies with little or no competition on them, and certainly no competition from British carriers.

Lord King goes on to say that British Airways has only 64 per cent of the UK-owned airlines operations, but of course, as he admits, he has thrown in the charter market and this creates quite an unjustified distortion of the true situation in the scheduled sector. The fact is that British Airways has over 85 per cent of the domestic and shorthaul scheduled sector: futhermore, within that 85 per cent it has nearly all the high density and potentially profitable routes: any attempts by the independents in the past to get even a toe hold in these monopoly routes was blocked by British Airways and the Civil Aviation Authority, until British Midland broke through quite recently by appealing over their heads. Even where British Airways was not actually flying these routes, we were denied the right to fly them in case British Airways might want them in the future. The effect of many years of this policy has been to create a totally unfair situation within the short-haul and domestic route structure and it is time it was remedied.

The fact is that British Airways enjoys an unrivalled clutch of international routes, has as its hub the largest international airport in the world and has enjoyed, within that environment, a largely protected and monopolistic position which it evidently wishes to perpetuate.

Given the changes in governmental, union and public attitudes British Airways certainly ought to be highly profitable.

N. M. Forster.
2 and 4 St Mary Axe, EC3.

No scientific justification

From Dr G. Myddelton

Sir,—Mr David Simpson (Dec 17 on behalf of the propaganda organisation Action on Smoking and Health), says that the cigarette is "a product which kills about a quarter of its customers." This follows the recent pronouncement by the Royal College of Physicians that "Among 1,000 young male adults in England and Wales who smoke cigarettes on average about 250 will be killed before their time by tobacco."

These statements have no scientific justification. They are based on the findings in various surveys that the death rate among cigarette smokers is higher than among those who do not smoke cigarettes, a group which includes non-smokers, pipe smokers and cigar smokers, all of whom have about the same mortality rate. This statistical association of higher death rate with cigarette smoking is more strongly influenced by the earliness of the age at which cigarette smoking started than by the actual amount smoked. This would seem astonishing in a direct casual relationship, for how could a man dying of a heart attack at the age of 65 really be said to have been "killed" by cigarettes he had smoked before he was 15? On the other hand the child who smokes is an unsupervised child who is likely to grow up with very different prospects compared to his more carefully nurtured contemporaries. The different economic class of the early smoker could well be one of the reasons for his higher death rate.

The whole relationship between smoking and death rates is an unsolved mystery which cannot possibly be explained on a purely casual basis. To pretend otherwise for propaganda purposes is a betrayal of the scientific bases of medicine, however desirable it may seem to curb excessive use of tobacco.

(Dr) Geoffrey Myddelton,
Blue Moon,
1867 Glutières-sur-Ollon,
Vaud, Switzerland.

Divisions in Derbyshire

From Mr P. White

Sir,—I was amazed by Mr Colin White's letter (Dec 31). During 15 years in local government I have served my time on school managing bodies and have been sickened by the constant whining of what must surely be one of the country's most cossetted professions.

What pupil/teacher ratios do not reveal is the rise in ancillary staffing in schools — welfare assistants, clerical assistants, remedial assistants, playground supervisors and the like.

The county council works department is a standing joke in our part of Derbyshire — a typical crew of five comprises one to drive the lorry, one to supervise, one to make the tea and two to do the actual work.

As for Mr White's remarks on Phillip Oppenheim being ambitious, inexperienced, and a retailer of party propaganda. I see nothing wrong with ambition, and ask the question — do headmasters begin their careers fully experienced? With regard to Mr Oppenheim's peddling of party propaganda, anyone who has taken the trouble to listen to Mr Oppenheim and question him closely, as I did in the last election would realise that he has a very independent mind and is not afraid to speak against party policy at the appropriate time.

Peter White.
76, Main Street,
Horsley Woodhouse,
Derbyshire

Pay settlement figures

From the Editor,
Incomes Data Report

Sir,—In your report on the latest set of pay settlement figures from the CBI (December 22) you compared their results with the official Department of Employment earnings index. In doing so however, you set the CBI's survey—showing nearly half the settlements in manufacturing falling between 5 and 6 per cent—against the earnings index (underlying rate) for the whole economy. Rather than the 7¾ per cent annual rate which you quote, the rate for manufacturing with which the CBI figures compare is currently 9¼ per cent.

It is questionable whether surveys of settlement levels should be set against the earnings indexes anyway, but it is essential to compare like with like.

David Shonfield.
140, Great Portland Street, W1.

Simplified by smoked salmon

From Mr P. Roberts

Sir,—Many cooks will applaud Julie Hamilton (December 31) in her attempt to enthuse the non-cooks among readers. Speaking as an occasional cook I wonder if she has got the balance right in her menu.

I suspect that most learners would take longer than an hour to prepare the meal she suggests and that, for the people in question, time would be more important than money. A two-course dinner plus cheese will be quite adequate for the middle-aged gourmets, of which only one course should need cooking. Cooking cabbage is not popular so the cabbage should be replaced by either a salad or, if a hot vegetable is preferred, a packet of frozen vegetable.

The simplified menu might then be—avocado vinaigrette (or smoked salmon); escalope of veal, baked potato, salad (or green broccoli); cheese. The cook *nouveau* will find this menu much less daunting and greatly appreciated by his/her partner.

Paul Roberts.
17 Copse End,
Camberley,
Surrey.

Conveyancing costs

From Mr P. Brown.

Sir,—In the old days we used to have barber surgeons until it was obvious that the former activity needed rather less training than the latter.

I simply don't accept Alan Roper's view (December 28) that the training of competent conveyancing specialists and their control would cost as much as the training of solicitor hammers to crack the majority of conveyancing nuts. In the modern world the conveyance of a single family occupation freehold or leasehold home needs specialist occulists rather than the full doctor/surgeon treatment.

In the case of multiple occupation and service company obligations in blocks of flats both parties may need and choose to use a solicitor, but I don't know any non-solicitor who feels the spurious competition offered by non-advertising partnerships will produce an acceptable market economy priced service for the simple freehold conveyance.

Peter M Brown.
Flat Nine,
12 Hyde Park Place, W2.

FINANCIAL TIMES

Friday January 6 1984

David Barchard in Ankara examines Turkey's attempt to become a major trading nation

Turks greet Ozal's economic reforms

A TEAM from the International Monetary Fund flew into Turkey yesterday for the first time since Mr Turgut Ozal and the Motherland Party took power on December 10. As far as Mr Ozal is concerned, this visit by the IMF should produce a new standby agreement to replace the one negotiated last June which the Prime Minister believes to be too narrow.

He would like to see a new agreement, much wider in its scope and designed to last several years.

However, the attention of the IMF delegation may be focused more on the massive series of economic measures which Mr Ozal has taken in less than three weeks in office. Everyone in Turkey agrees that they amount to a revolution. The measures are a clear breach with the economic philosophy and practice which has dominated Turkey since the establishment of the republic and are intended to make the country a major trading nation.

So far, the Prime Minister appears to have public opinion solidly behind him in what everyone recognises is an economic experiment of singular boldness.

Mr Ozal's reforms began as he unveiled his Cabinet list, disclosing in the process a massive shake-up of Turkey's govermental machinery in which the major opponents of change, notably the highly bureaucratic Ministry of Finance, were shorn of almost all their powers. Other changes have followed on an almost daily basis and are likely to continue for months.

However, most attention is now being given to Mr Ozal's reform of foreign trade, the foreign currency regime, and taxation announced in four Cabinet decrees just before the New Year.

The new Prime Minister is already showing a fondness for short-cutting the slow-moving business of getting a law through parliament and the opposition has not been slow to point out that it would have preferred to see the changes debated by parliament.

Ordinary Turks have been quick to realise that the reforms will have profound changes on their daily life. Marlboro cigarettes, until now only available on the black market, will come into grocery shops and whisky, videos and other consumer durables will be imported although a stiff surcharge will be payable.

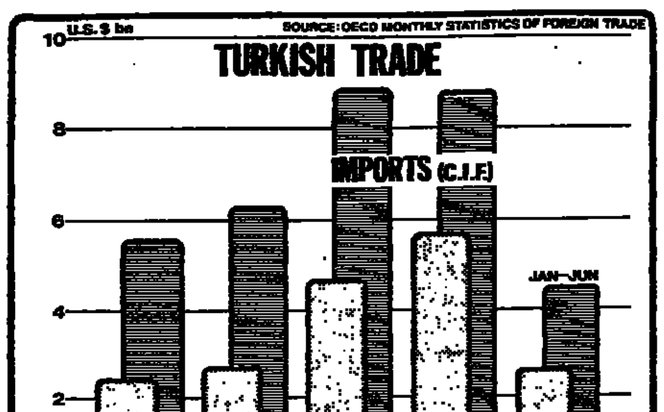
Mr Ozal intends the surcharge to be used for a special housing fund. Housing, along with unemployment, has been scheduled for attention by the Ozal Government in what is seen as an attempt to palliate the social effects of his other policies.

With the import regime, Mr Ozal has shifted away from a system of allowing licences for particular commodities, to one in which most imports will be permitted and only *200 items* will be prohibited.

However, importers of most goods will have to pay a varying surcharge to the housing fund. *Foreign currency allocations for im*ports have been increased, and it will be possible to pay for insurance and freight in foreign currency for the first time.

Trade with East bloc countries is to be channelled through big companies (there are only 22 of them) which have exported more than $50m in the previous calendar year.

For exporters, tax rebates have been altered and are to be calculated on a c.i.f. basis in order to encourage firms to sell to new markets in distant parts of the world. Chambers of commerce and industry will once more regulate imports instead of the Ministry of Trade.



Re-exporting of selected commodities (initially textiles; chemicals, and foodstuffs) will be permitted.

The Government expects that its measures will boost Turkey's export performances, which flagged in 1983 after record increases in 1981 and 1982. Exports are expected to grow by 9.6 per cent this year while imports should increase only 4.4 per cent. Although the year-end export target is still officially $6.85bn, officials hope it can reach at least $7.5bn. This would imply a deficit of about $2.7bn or less.

Meanwhile, the liberation of foreign exchange controls has gone well beyond what many Turks would have thought possible even a few months ago. The Government has increased the powers of the Central Bank but cut ministerial ability to interfere in foreign exchange transactions.

Since the beginning of this week, the major Turkish banks have been buying and selling foreign exchange at prices set by themselves within a margin of 3 per cent above or below Central Bank rates, although the commercial banks have had major difficulties adapting to the new system.

Banks are obliged to set up notices displaying their prices for foreign currency. However, bank headquarters are having difficulty relaying foreign currency prices to their branches and some branches of major banks in Istanbul and Ankara were reported to be purchasing and not selling foreign currency rather than risk and error.

Restrictions on foreign currency for travel abroad have been relaxed. Turks can now take up to $10,000 abroad, more if they need medical treatment. They can open bank accounts in Turkey in foreign exchange and draw from it when they wish. Turkish companies will be allowed to invest up to $20m and exporters will be allowed to keep 20 per cent of their earnings in foreign currency abroad.

Other irksome restrictions abolished include a requirement that Turkish goods be packaged in Turkey by Turkish exporters, restrictions on property purchases by foreigners, and the need for Turks to make annual wealth declarations.

It would be easy to say that the popularity of all these changes comes from the new freedom being given to the individual. What is impressive, however, is the degree to which the Turk in the street seems to view the reforms as a necessary *step forward* in the internationalisation of the economy.

Mr Ekrem Pakdemirli, the man whom *Mr Ozal* has put at the head of a powerful new foreign trade and economic policy department described the measures as "an important new step towards Westernisation." That is precisely how many ordinary Turks seem to see the changes themselves.

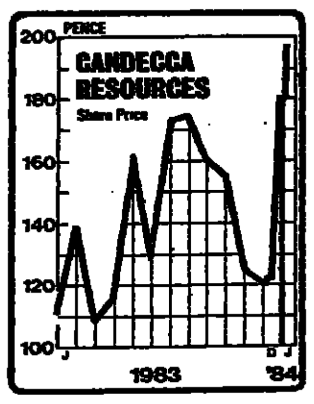
The currency black market has virtually vanished and the Marlboro cigarettes have not yet appeared in the shops. No-one is yet quite sure that Turkey's administrative structure will be able to adapt quickly to the changes it is being asked to make.

But there is undoubtedly a sense of optimism, even exhilaration in Turkey as the country embarks on what is obviously its boldest economic experiment this century.

THE LEX COLUMN

Warner plays a video game

The Stock Exchange is obviously in a hurry to get on with the great bull market. Yesterday, on a whiff of good news from Wall Street, the institutions were busy pre-empting the Sunday press by picking their own naps of 1984. The third quarter company appropriations figures did at least provide some substance for the strong market rise. The series is not particularly reliable but there is no mistaking the general message. Undistributed income of UK companies rose by over 50 per cent in the first nine months of 1983.



News/Warner

Warner Communications' list of nine-figure losses in electronic games may constitute one of the more expensive educations in corporate strategy. But at least the defensive techniques which Warner is *bringing out* against Mr Rupert Murdoch's plan to buy 49.9 per cent of its equity suggest that a few lessons have been learned from the *Atari catalogue*.

Warner's newest game – the Chris-Craft trip-wire – consists in selling enough of itself to a third party to trigger a number of regulatory controls if the News offer were to succeed. Part of the Chris-Craft deal, to which News has entered an objection with the Federal Communications Commission, involves an asset exchange designed to bring a successful Murdoch into illicit ownership of both newspapers and TV stations in the same area. News is already vulnerable to the regulations in that it publishes newspapers in areas – notably New York and Boston – where Warner operates cable-TV.

In a similar vein, if News acquired the full 49.9 per cent that it claims to be seeking, it would now find itself owning over 20 per cent of a broadcast TV station, in contravention of statute. It is only to be expected that Mr Murdoch has tried to blow the whistle on this.

It is not entirely clear why Mr Murdoch would want to own even a large minority stake in Warner, although his relations with bankers are probably sufficiently close to enable him to pull off such an acquisition. However, it seems more likely that his motive in making the offer is to detach some of Warner's more interesting assets, such as its film library – a ready-made source of software for the Murdoch cable and satellite networks – or some of its cable interests.

If this is the strategy which News *is following*, then Warner's new relationship with Mr Herbert Siegel – of Chris-Craft – may eventually drag Warner into a more complicated game than it has planned for so far. To offer up 25 per cent of the equity to such an experienced arbitrageur does not sound like the most durable form of protection against a deal with Mr Murdoch.

Trafalgar/Candecca

Trafalgar's bid for Candecca looks stronger on opportunism than commercial logic. The intention to expand further in oil had been signalled in advance, but a £78.5m bid – and a 15 per cent increase in Trafalgar's equity – makes a chunky mouthful for a group which was still thought to have its eye on P&O.

There are tax oddities, too. Trafalgar is presently liable for around £10m a year in PRT from its existing oil interests. Rather than bidding for a pure exploration company, which could have sheltered those profits, it is going for a company which is in effect tax-neutral, having enough production revenue to use up its tax allowances. There could be some scope to hurry along Candecca's on-shore exploration programme, but, failing that, Trafalgar might have to consider selling some of its Forties holding.

Candecca, meanwhile, has signalled its readiness to consider another bid. Either way, a further Trafalgar bid for P&O could be on the cards. The market, though, has its own views on that. P&O shares yesterday contrived to lose 6p on a day when the FT 30-share index gained 13 points, and now stand some 30p below Trafalgar's original offer price. Trafalgar, meanwhile, gained 1p to 220p. A paper bid for P&O would increase Trafalgar's equity by a further two thirds; the market seems happy to regard that prospect as receding.

Electronic Rentals

It is easy to see why Electronic Rentals Group feels itself stuck on a plateau these days, with Britain's TV rental market shrinking remorselessly on the one hand and mass demand for fully wired up electronic living rooms still some way off on the other. But its predicament starts to look more like a valley of darkness after yesterday's interim results. After the disappointment of the 1982–3 performance and last year's dividend cut, pre-tax profits have fallen from £6.2m to £4.4m in the half-year to September and brokers' estimates for the whole year are being pared yet again: something below even last year's £12.1m now seems likely.

The steep drop in UK rental earnings from £9.8m to £5m is only partly attributable to the heavy start-up costs involved in switching to the VHS video format, the TV replenishments programme and accelerated depreciation charges which caused so much damage in 1982/3 – though all three problems feature much as before. In addition, higher purchase prices have cut margins on VHS rentals by about 10 per cent – which explains why the compensation offered by VHS for the declining TV business is rather more impressive in terms of turnover than pre-tax profits – while the competition has prevented ERG raising any rental rates in line with higher overheads.

The company has no shortage of ideas about how best to climb out of all this. More aggressive marketing of multi-rental packages, some diversification into retailing and a more imaginative use of its captive consumer base are all high up on the agenda. But support for the share price above its current 55P level still requires a certain amount of blind faith that management will steer its way through the attendant dangers. Perhaps the structural reorganisation now in the offing for Visionhire will inspire a bit more confidence than the immediate outlook for profits.

Inventor defends 'sniffer'

By Our Paris Correspondent

SIG ALDO BONASSOLI, the Italian *inventor of the controversial* "oil sniffer aircraft," surfaced yesterday to deny that he was a swindler.

In a radio broadcast, he said that there had been no fraud on his part. "We used equipment which worked more or less well," he said. "But the principle is sound."

Sig Bonassoli was named by the French state auditing organisation, the Cour des Comptes, as author of the "swindle" that cost the state-owned Elf oil group between FFr 500m and FFr 850m ($59m-$94m). The equipment, when fitted to an aircraft, was meant to provide a radar image of underground oil and mineral structures, thus revolutionising oil exploration.

Since the publication of the report, Sig Bonassoli's whereabouts have been unknown. He said yesterday that he was in the process of regathering his scientific material and intended to present it to the Italian Academy of Science.

He called the test carried out by the head of the Fundamental Research *Institute of the* French Atomic Energy Commission in 1979, which finally demonstrated the uselessness of the equipment, as "having no value" and being purely "cinema". During the test, the government scientist tricked Sig Bonassoli by substituting a bent ruler for the straight one originally intended for use in the test.

CSX profits fall sharply

By Terry Dodsworth in New York

CSX, the U.S. railway and energy company, announced a sharp fall in net profits for its fiscal year to December from $414.2m, or $3.30 a share, to $271.6m, or $2.07 a share. It was in part the result of poor fourth quarter figures.

The company said that its fourth quarter earnings, down to $104m against $180m in the previous year, reflected 1982 *gains* from the sale of its Florida publishing company and cable television interests

Delors announces timetable for reducing France's foreign debt

BY DAVID HOUSEGO IN PARIS

FRANCE WILL be able to reduce its foreign debts by the end of next year or in 1986, M Jacques Delors, *Minister of Finance, said yesterday.*

It is the first time that the minister has given such a precise timetable for cutting France's foreign debt, which has expanded dramatically over the past two years.

M Delors gave a provisional estimate yesterday of $53bn for France's outstanding medium and long-term debt by the end of last year. This would mark a 20 per cent increase on the end of 1982, when the foreign debt stood at $44.2bn on official figures and a 61 per cent increase on December 1981 ($32.8bn).

In French-franc terms, the increase has been even sharper, rising 50.5 per cent in a year from FFr 295bn ($34.7bn) at the end of 1982 to FFr 445bn at the end of last year. That reflects the 24 per cent appreciation of the dollar against the franc over the 12-month period.

M Delors said France would face interest and capital repayments on its foreign debt of FFr 50bn-FFr 60bn a year in the coming years. He said it was a "reasonable objective" that they could be covered without recourse to further borrowing "in part in 1985 and totally in 1986". Between now and then, he added, *France might borrow to repay capi*tal but it was out of the question to borrow to cover interest payments.

M Delors' figures for interest and capital repayments are below those of independent forecasters, which see repayments rising from about FFr 60bn this year to over FFr 80bn in 1985 depending on exchange-rate assumptions. The dollar, however, reached a new peak in Paris yesterday of FFr 8.536.

The possibility of reducing France's foreign debt has been brought in sight by the sharp turnround in France's current-account position. The latest OECD forecasts published last month, foresee France moving from a current-account deficit in the first half of this year of $500m to a surplus in the second half of $2.5bn and a surplus in the first half of 1985 of $4.25bn. The OECD figures are more optimistic than French official or private forecasts.

None the less, M Delors gave little hope of any relaxation in France's current austerity measures. He said to achieve a sound recovery, France would need to have a slower growth rate than oth*er leading industrialised countries*, at least until the beginning of 1985. He said it was necessary "for at least two years, to follow a German model of achieving growth based on investment and exports" and not on consumption.

The Socialist and Communist parties are both anxious to see a revival of economic activity well in advance of the 1986 legislative elections.

M Delors's estimate of France's overall foreign debt is also below that of bankers, which put French foreign debt at about $60bn by the autumn of last year.

France was the second largest international borrower last year, raising $13.3bn on the international markets. Bankers expect it to raise a further $10bn this year. However, M Delors's remarks imply an increasing stabilisation of the total level of foreign debt so that part of the new borrowings is likely to be used to refinance existing commitments.

Violence at Poissy

Continued from Page 1

stage, militants locked themselves in the plant's assembly building, using cars on the production line as barricades.

As the situation became, in the words of one company official, "hopeless," Peugeot had no alternative but to call in the police and shut the plant. Under the circumstances, the company could not see how it could try to resume production today, and so decided to close the plant and stop paying wages.

Despite these latest moves, including the company board's decision to change the ownership structure of Talbot et Cie, Peugeot continued to claim yesterday that it was committed to the survival of the Talbot concern and car marque.

The disappearance of Talbot would seriously compromise the Peugeot *group's overall* industrial strategy and its efforts to remain a volume producer, although Talbot's share of the French market has continued to nosedive.

The French car makers' association last night released the latest domestic car registration figures. They show that in the first 11 months of last year, Talbot's share declined to 4.5 per cent of the French market from 5.3 per cent for the corresponding period last year. In 1979, Talbot had 8.7 per cent of the domestic market.

Peugeot saw its market share rise to 15 per cent from 12.6 per cent, while Citroën's share rose to 13 per cent from 12.1 per cent.

The latest statistics show that French car registrations for all of 1983 are again likely to top 2m, although they are unlikely to be higher than the record 2,056,490 registrations of 1982.

In the first 11 months of last year, *foreign car makers consolidated* their position in France with 32.6 per cent of the market.

Share prices at records

Continued from Page 1

reluctant to jeopardise economic recovery by pushing up interest rates to try to stop the flood of funds into dollars.

The yen, which has been supported by a favourable economic outlook and aggressive central bank intervention, moved against the trend to close at Y232.85, up from Y233.30.

In Tokyo, the sixth day of an upward run by the stock market took the 225-issue Nikkei-Dow Jones market average 19.75 higher at a peak 9,946.86 in busy dealings. However, the afternoon brought a flurry of profit-taking and many leading shares finished below the best.

With the Amsterdam bourse leading the way in breaking new ground for the seventh consecutive *session, the first noises of caution* began to be heard from local and London brokers.

Court move to delay Getty deal

By William Hall in New York

A NIECE of Mr Gordon Getty, who *is masterminding* the $8.7bn merger of Getty Oil with Pennzoil, is seeking a temporary restraining order to halt the deal.

Lawyers for Ms Claire Eugenia Getty were yesterday seeking a court order in the California Superior Court preventing Mr Getty, the sole trustee of the Sarah C. Getty Trust which owns 40.2 per cent of Getty Oil, from taking any further action to commit the trust to an agreement under which it and Pennzoil would acquire 100 per cent of Getty Oil.

The court hearing was set for later yesterday.

Sources close to the Getty family said the action was being taken because some of the family felt they had not been fully consulted about the deal.

Under Tuesday's deal the Sarah C. Getty Trust and Pennzoil will spend $5.3bn acquiring the 47.3m shares held by the public and the J. Paul Getty Museum.

Pennzoil, a Texan company which is less than a third of the size of Getty Oil, confirmed yesterday that a member of the Getty family was taking a court action, but was unable to speculate on the seriousness of the challenge.

On Wall Street, oil analysts said that the $110 per share plus a deferred consideration of at least $5 per share was a good price for Getty and felt it was most unlikely that it would lead to a rival bid.

They speculated that another party interested in Getty would have to pay at least $10bn. Analysts said they thought the Gordon Getty/Pennzoil transaction was a "done deal" and saw little room for outside interference.

Shares of Pennzoil, which stands to benefit from the expected break up of Getty Oil, continued to rise yesterday. Some analysts expressed surprise by the strength of the Pennzoil share price which has risen to above $38, against $34½ immediately before the deal's announcement.

One analyst said that while he respected Pennzoil's management he felt that the company was "taking a big bet on oil prices." He said that the deal would strain Pennzoil's balance sheet.

Although Getty Oil would not confirm it, Mr Sydney Petersen, its chairman and chief executive, is expected to announce his resignation shortly. Pennzoil confirmed yesterday that Mr Gordon Getty would become chairman of the new company and Mr J Hugh Liedtke, chairman of Pennzoil, would be president and chief executive officer.

Pennzoil plans to finance its share of the deal from internal funds ($300m) and its $2.5bn production payment facility which is in place.

It is understood that Getty Oil itself is buying the 9.3m shares owned by the Getty Museum from its own funds and this will reduce the number of shares to about 70m.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	12	54	Dubrovnik	C	19	66	Malaga	S	6	43	Salzburg	C	0	32
Akrotiri	S	18	64	Faro	S	13	56	Malta	F	14	57	Seoul	S	-4	25
Algiers	C	10	50	Florence	S	7	45	Manila	S	29	84	Singapore	R	30	86
Amsterdam	R	4	39	Frankfurt	F	4	39	Miami	C	23	73	Stockholm	S	-2	28
Athens	F	16	61	Funchal	C	16	61	Milan	S	9	48	Strasbourg	S	5	41
Bahrain	S	18	64	Geneva	S	3	37	Moscow	C	1	34	Sydney	C	22	72
Bangkok	S	29	84	Gibraltar	S	15	59	Munich	C	-2	28	Taipei	R	13	55
Barcelona	S	10	50	Guernsey	R	8	46	Nairobi	-	—	—	Tangier	S	14	57
Beirut	F	17	63	Helsinki	-	—	—	Naples	F	10	50	Tehran	-	—	—
Belgrade	C	3	37	H. Kong	S	15	59	New Delhi	C	21	70	Tel Aviv	F	18	64
Berlin	F	2	36	Innsbruck	Sn	0	32	New York	C	4	39	Tenerife	C	19	66
Biarritz	C	9	48	Inverness	R	5	41	Nice	S	12	54	Tokyo	S	9	48
Blackpool	C	7	45	Istanbul	S	13	55	Oporto	C	8	46	Toronto	C	2	37
Bordeaux	C	8	46	Jersey	R	8	46	Oslo	F	-5	23	Tunis	F	12	54
Brussels	F	3	37	Jo'burg	S	25	77	Paris	F	4	39	Valencia	S	12	45
Budapest	S	5	41	Las Palmas	F	19	66	Prague	S	0	32	Venice	S	5	41
B. Aires	C	28	82	Lima	S	24	75	Reykjavik	Sn	1	34	Vienna	S	4	39
Cairo	S	19	66	Lisbon	S	11	52	Rio de J'o	C	39	102	Warsaw	C	3	37
Cape Town	-	—	—	Locarno	S	7	45	Rome	S	9	48	Zurich	F	1	34
Caracas	S	27	81	London	R	8	46								
Casablanca	S	15	59	Los Angeles	S	26	79								
Copenhagen	S	3	37	Luxembourg	C	0	32								
Corfu	T	13	55	Madrid	S	6	43								
Dublin	F	7	45	Majorca	F	11	52								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

Andermatt (Sw)	50–120 cm	Fresh snow on icy base
Avoriaz (Fr)	70– 75 cm	Wonderful snow everywhere
Davos (Sw)	40–110 cm	Excellent on upper slopes
Flaine (Fr)	64–135 cm	Powder on hard base
Isola (Fr)	65–115 cm	Lower south facing slopes icy
La Plagne (Fr)	80–160 cm	Good powder
St. Anton (Aus)	40–100 cm	Powder on icy base
Seefeld (Aus)	40– 70 cm	Good powder on hard base
Wengen (Sw)	20– 50 cm	New snow transforms skiing

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col)	31– 78 ins	Packed powder
Hunter (NY)	16– 76 ins	Packed powder; machine snow
Squaw Val (Cal)	36–120 ins	Fine packed granular
Stowe (Vt)	26– 58 ins	Packed powder

Figures indicate depths of snow at base and top stations.

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SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Friday January 6 1984

Apple and Franklin settle out of court

By Our San Francisco Correspondent

APPLE COMPUTER has agreed to an out-of-court settlement of its copyright infringement suit against Franklin Computer, a manufacturer of Apple "clones." Franklin has agreed to pay Apple $2.5m in damages and not to infringe upon Apple's copyrights.

The settlement follows an appeal court ruling that programs built into Apple II personal computers are protected by U.S. copyrights. Franklin has been selling an Apple II lookalike which, according to Apple's complaint, incorporates copies of the Apple program.

Mr Avram Miller, Franklin president, said the agreement with Apple provided for a transition period which would allow Franklin to continue sales of its existing products while completing development of alternative programs.

Mr Barry Borden, Franklin chairman, said the settlement would not have a material impact on his company. Franklin recently opened a new manufacturing plant to increase production capacity.

In addition to the development of its own software for the Apple-style computer, Franklin is developing an IBM compatible personal computer. Unlike Apple, IBM has an open policy which allows others to make computers emulating its models.

GAF shutting roofing plants

By Our Financial Staff

GAF, the New York chemicals and building materials company which underwent one of 1983's fiercest proxy battles, is to close three roofing plants, resulting in a $28m charge against fourth quarter earnings.

Two New Jersey plants and one in Illinois will close. GAF said the move, which will leave the company with 12 plants in its building materials division, would be a "dramatic turning point for the company."

GAF said its building materials operations would record significant earnings this year after three unprofitable years.

Trafalgar House bids £78m for UK oil and gas group

BY CHARLES BATCHELOR IN LONDON

TRAFALGAR HOUSE, the British shipping, construction and hotels group, emerged yesterday as the bidder for Candecca Resources, a UK oil and gas company, with an agreed share offer worth £78.5m ($113m).

This is a further move by Trafalgar to establish a major presence in the oil and gas business. It has spent about £25m over the past two years acquiring a 1 per cent stake in the North Sea Forties Field, exploration interests in the southern U.S. and producing fields in the Gulf of Mexico.

Candecca has a larger onshore acreage in the UK than any other company. This includes a 25 per cent stake in the Humbly Grove Field in Hampshire and interests in Yorkshire, Humberside and Lincolnshire. It recently paid £15m for a 0.5 per cent stake in the Forties Field.

Trafalgar said the proposed Candecca purchase would have no effect on its earlier £290m bid, now under a Monopolies Commission review, for the P&O cruise group. P&O's shares nevertheless fell 8p to 240p.

Trafalgar is offering 10 of its own shares for every 11 Candecca in a bid worth 200p per share at Trafalgar's share price of 220p – a rise of 1p yesterday. It is also offering a cash alternative of 185.45p for each Candecca share.

Trafalgar has already obtained the support of the owners of 36.2 per cent, or 14.2m shares, of Candecca's capital.

Bristol Oil & Minerals, formerly KCA International, has agreed to sell its holding (much of it in the form of options) of 29.9 per cent. Trafalgar is paying a special price of 175.4p for two-thirds of these shares.

Sceptre Resources, a Canadian oil group, will sell its 6.1 per cent stake, while Trafalgar already owns a further 0.3 per cent through associates.

Trafalgar will issue up to 36m shares – 12.9 per cent of its enlarged capital – to finance the deal.

Candecca's large onshore reserves will balance Trafalgar's offshore interests, while the considerable spending needed to develop the Candecca acreage can be set against Trafalgar's tax bill on the oil it is already producing.

Mr Peter Carter, managing director of Candecca, said that while he could not be fully confident the Trafalgar offer fully reflected the ultimate realisable value of Candecca's interest, the board was recommending the bid in the absence of a higher offer.

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BL reducing holding in Indian subsidiary

BY JOHN GRIFFITHS IN LONDON

BL, the UK state-owned vehicles group, is to relinquish its majority, 50.6 per cent shareholding in Ashok Leyland, India's second largest commercial vehicles producer. A package of debenture issues to Indian shareholders, who currently have a 49.4 per cent stake in the company, is intended to reduce BL's holding to about 40 per cent over the next two years.

BL, through its Land Rover-Leyland International Holdings subsidiary, will remain by far the largest single shareholder. The rest of the shares are held mainly by an assortment of Indian banks and financial institutions.

A statement issued by Ashok yesterday said the move was intended "to free the company from the provisions of the Foreign Exchange Regulation Act, thus affording greater opportunities to the Indian operation."

The Act makes it difficult for a foreign-owned company to increase its capital in an Indian operation and to export revenue. Leyland's income has mainly taken the form of receipts for technical help and royalties.

The voluntary dilution, which will involve the issue of a package of convertible and non-convertible debentures, totalling Rs 326m ($34.38m) is still subject to final approval from India's central Government, financial institutions and shareholders.

Crocker hit by new loan default

By William Hall in New York

CROCKER National Bank, the U.S. bank majority-owned by Midland Bank of the UK, has called into default a $34m loan to American Resources Management, a small Salt Lake City-based energy company.

The action is a further blow for Crocker, which last month announced a $107m charge in its fourth quarter to cover possible losses on real estate lending, and halved its dividend. The bank has stressed that its loan problems have been concentrated in the real estate market, but this latest action indicates that it is also facing problems in energy lending – along with many other U.S. banks.

American Resources Management, which explores for oil and gas in Colorado, said its board would meet as soon as possible to consider the company's options, which could include bankruptcy.

The group has faced financial problems for some time because of the slump in the U.S. energy business. It reported a pre-tax loss of $3.4m and a net loss of $2.9m in the nine months to the end of September, when its assets totalled $54m.

AM expects profit for fourth quarter

By Our New York Staff

AMERICAN MOTORS, the U.S. car company in which Renault of France has a controlling interest, said it would show a profit for the fourth quarter of its 1983 fiscal year after a run of 14 quarterly losses.

Mr Jose Dedeurwaerder, president, added that there was a "good chance," that the company would remain in profit for the whole of 1984, provided there were no surprises from the economy.

Mr Dedeurwaerder was speaking at a review of the company's 1983 performance, in which he noted that the group's car sales had risen by 71 per cent from 1982 levels, and Jeep sales by 28 per cent. This recovery had been particularly aided by the launch of the Alliance model, the U.S. version of the European Renault 9.

Hong Kong TV company floats 25% of shares

BY A HONG KONG CORRESPONDENT

HONG KONG television company (HK-TVB) is to sell 25 per cent of its issued share capital, or 105m shares, to the public for HK$2.65 each.

HK-TVB is Hong Kong's leading television company, providing Chinese language programmes on its Jade channel and English language programmes on the Pearl Channel. Its chairman, Sir Run Run Shaw, is best known for the Cantonese comedies and Kung Fu thrillers produced at his Shaw Studios in Hong Kong, and shown both on TVB and licensed for viewing throughout South-east Asia.

TVB has grown steadily since its establishment in 1965, and now dominates 84 per cent of the Chinese language audience in Hong Kong and some parts of southern China, an audience estimated at more than 5½m.

The new issue's underwriters, Sun Hung Kai International, explained that the flotation, originally scheduled for October, had been delayed until the local market had "stabilised." Earlier company statements had suggested the share price would be HK$3.30, rather than HK$2.65. Sir Run Run confirmed this yesterday, joking "I wanted more." But market conditions had dictated a lower price. In the fourth quarter of 1983, a flush of new issues, primarily related to electronics manufacturing, absorbed much of the market's liquidity.

TVB's steady growth from net profits in 1978 of HK$21.1m to HK$142.1m in 1982 is expected to continue. Estimated net profits for 1983 are HK$173m.

Local analysts predict that TVB's growth, based on domination of the lucrative Chinese television advertising market, might slow. But general manager Mr Robert Chan said yesterday that TVB's diversification into publishing, licensing and related activities would ensure continuing profits.

The fortunes of TVB's only competitor, Asia Television (ATV), appear clouded by comparison. ATV's Hong Kong partners, chairman Deacon Chiu and his son Dick, have been negotiating for some months to sell their 50 per cent holding.

This week, negotiations between the Malaysian cinema chain, Golden Star Group, and Mr Chiu fell through, apparently because both parties were unable to arrive at a price.

Coleco reaches debt deal with banks

By Our New York Staff

COLECO INDUSTRIES, the U.S. home computer manufacturer, has reached agreement with its banks on a modification of its borrowing covenants, which will allow it more debt than originally planned this year.

The deal is with a banking group led by Chase Manhattan. It follows speculation that the company might shortly breach its bank covenants. Under an agreement drawn up with the banks on a $150m credit line last May, Coleco was required to clear the entire debt in February.

The company said that demand had been modified to allow it to have continued access to the credit line, which will be secured on certain current assets.

Aerospatiale plans talks with unions

BY DAVID MARSH IN PARIS

AEROSPATIALE, the French state owned defence and aerospace company, which registered a 17 per cent slump in orders last year, is planning talks with unions on ways of adapting its 35,500-strong workforce to falling capacity use throughout its manufacturing plants.

Outright redundancies are ruled out as Aerospatiale – in contrast to international competitors in the civil and military aerospace market – is committed to keeping its workforce roughly stable until 1986 under government-engineered contracts with unions.

Instead, the company looks likely to continue efforts to prune excess labour through cutting working hours or redeploying manufacturing employees in other areas

The Communist-backed CGT trades union has already lodged a claim for a cut in weekly working hours to 37 and ultimately to 35 (from about 38 at the moment), and also wants increased staff training in working time.

The company's new chairman, M Henri Martre, admits that the present downturn in civil and military work – through a combination of budgetary cuts and the airline recession – could last at least another year. Orders last year fell to FFr 13bn ($1.56bn) from FFr 15.6bn in 1982 and FFr 22.3bn in 1981.

The company's aircraft division, which relies on the Airbus for about 70 per cent of its work, registered the sharpest downturn in orders last year, to FFr 2.5bn

Israeli airline to cut losses

By L. Daniel in Tel Aviv

EL AL, the Israeli state-owned airline, expects to finish fiscal 1983-84 with an operational deficit of between $15m and $25m. This will be the smallest operational loss since the airline slid into the red in 1978-79 and compares with a $45.2m shortfall in the year to March 31 1983. The company also sustained a loss of $46m in 1982-83 due to the four months interruption of operations which led to the lay-off of 20 per cent of its workforce.

El Al, which has been in temporary receivership for the past year, has an accumulated deficit of $325m. But for the Government ban on operations on the sabbath, it would now be in the black, according to the director, Mr Rafi Harlev.

The reduction in losses is expected because of a $22m cutback in the wage bill, greater efficiency and increased traffic during the past nine months. The crucial issue now is the write-off of past deficits by the Government.

El Al operates eight Boeing 747, eight 707, two 737 and two 767 aircraft.

U.S. car study by Mitsubishi

MITSUBISHI Motor, Japan's fifth largest car maker, is studying the feasibility of producing semi-compact (1,600cc) cars in the U.S., *Reuter reports from Tokyo.*

But the company described as "premature" a newspaper report that it has decided to establish a joint venture with Chrysler of the U.S. to manufacture 200,000 semi-compact cars a year at an idle Chrysler plant from 1986.

Mitsubishi is studying the cost of producing a semi-compact car in the U.S. using parts supplied from Japan.

INTL. COMPANIES & FINANCE

Excess capacity is hitting retailing margins, reports **Chris Sherwell**

Hard times for Singapore stores

SINGAPORE'S dented image as a shopper's paradise has started to show up in department store profit and loss accounts with a vengeance. And with acres of retail space spilling onto a market already suffering from excess capacity, the trend is reinforcing concern about the city state's weakening property market.

The latest retail casualty is Metro Holdings, which operates numerous department stores in prime Orchard Road locations. It plunged into the red in the six months ended September 1983 -registering a S$1.7m (US$469,000) after tax loss against a S$2.6m profit in the same period last year.

Isetan, the Japanese group which opened its first foreign store in Singapore ten years ago, saw profits decline in the six months ended May 1983: C. K. Tang reported level profits in the six months ended June on a higher turnover: and Robinson, one of the island's best known stores, went into loss on retailing in the year ended June.

The plight of the retail industry represents a blot on the generally bright picture for the Singapore economy, which is expected to show 7 per cent growth this year. The retail trade itself saw a surge in turnover from S$4.6bn in 1977 to about S$8.4bn in 1981. But sales growth is likely to have been less sharp since.

The structure and character of the industry are also being transformed. Small, family-owned retail businesses which use simple management techniques are giving way to large shopping complexes and plazas which need energetic backing.

With the deterioration in the market, competition among the major stores is now so intense that some are spending heavily on promotions offering holidays, large gift prizes and even brand-new apartments.

Swelling Press and television advertising revenues stand in stark contrast to the performance of some store groups.

As to the reasons for the decline, Robinson frankly spelled out these in its 1983 annual report: "Retail trading is suffering from the enormous expansion of facilities in recent years as a result of the belief of developers of shopping centres and retailers about the rate at which tourist arrivals and local disposable incomes will continue to grow.

"The downturn in spending by tourists has been dramatic because their numbers are fewer and those who come are spending less. Singapore prices have obviously become less attractive and the countries from which tourists come have taken steps to reduce the spending of their travellers abroad."

This comment appears directed specifically at Indonesia, which earlier this year imposed a US$150 exit tax on residents and caused the flow of travellers—who typically would make shopping a priority in Singapore — to plunge. Indonesians have also seen their currency devalued this year, while the Singapore dollar has remained firm.

The Philippines, the currency of which has been devalued twice this year, also has an exit tax, while Thailand is introducing one. This leaves Malaysia and Brunei as residual, if important, sources of custom from the region. As for visitors from elsewhere, who are usually passing through on their way east and west, their numbers are also down and they too tend to find the shops pricey.

The patttern of Singaporeans own spending also appears to be changing. They have seen a sharp rise in disposable income since 1979 as a result of high wage increases and changes in the way their savings through the Central Provident Fund scheme can be channelled to buy accommodation.

According to some analysts, much of this extra cash has translated less into department store spending than purchases of cars, whose numbers have soared.

The key worry for the retail business, however, is reckoned to be the growth in capacity. This is the product of the country's counter-cyclical construction boom as well as over-optimistic tourist projections.

Prices of shop units more than doubled between 1979 and mid-1981 but, with the world-wide recession and the visible increase in selling space, they then started weakening. Where there was a large department store or supermarket acting as anchor tenant, the fall was 5-20 per cent by this year. But elsewhere it was 35 to 50 per cent.

According to one broker supply and demand for retail space were probably in balance in early 1982. With demand rising at about 10,000 square metres per year, but at least 100,000 square metres approved and destined to come onto the market in both 1984 and 1985, the current imbalance will become increasingly severe.

In Singapore, location is everything when it comes to retailing, as Galeries Lafayette discovered when it opened a year ago in a new building some distance from the Orchard Road area. The store has been going through a management shake-up because of its unhappy performance,

Government concern about the whole retailing problem has not been explicit, although a pointer to official thinking surfaced recently in the government-guided English language press. On the occasion of the opening of yet another shopping centre, two newspapers published editorials asking whether Singapore needed so many shopping complexes.

They were an "artificial world in which the worst instincts of the materialist are nurtured," lamented the Straits Times. "Eventually, we could end up with quite a number of white elephants."

Malaysian group puts up recovery blue-print

By Wong Sulong in Kuala Lumpur

FOLEX INDUSTRIES, the financially-troubled Malaysian textile company, has come up with a recovery plan—its fifth in recent years.

The scheme involves the reconstruction of capital and debts plus trading diversification taking the group into housing and property development.

Under the plan, Folex is to acquire 150 acres of residential land in Kuala Lumpur from Sri Hartamas for 65m ringgit ($28m) to be financed by the issue of 65m new Folex shares.

At the same time, Folex's outstanding debts of 52.2m ringgit to six financial institutions, are to be converted into equity through the issue of 52.2m shares. The institutions will then sell their shares to a private company, called Aspartame.

Finally, Sri Hartamas, will offer 17m of its 65m Folex shares, currently suspended from stock market trading, to the public at one ringgit each.

Upon completion of the scheme, the net assets of Folex will improve to 98m ringgit, compared with current net liabilities of 19.4m ringgit.

Folex said the housing land it is acquiring should yield revenue in sales at around 580m ringgit and an estimated pre-tax profit of 212m ringgit over eight years.

European banks reduce shareholdings in AEFC

BY OUR FINANCIAL STAFF

COMMONWEALTH Trading Bank, the Australian government-owned bank, has increased its stake in Australian European Finance Corporation to a controlling 51 per cent from 23 per cent.

The bank has acquired Algemene Bank Nederland 18 per cent holding and an aggregate 10 per cent from the other shareholders, Banque Nationale de Paris, Banca Nazionale del Lavoro and Dresdner Bank. The move lowers BNP's interest in AEFC, an Australian merchant bank, to 19 per cent and the BNL and Dresdner stakes to 15 per cent each.

The bank declined to disclose financial details of the acquisition but said AEFC had an issued capital of A$10m and earned a net A$7.9m

Bond buys 10% more Swan TV in the market

By Michael Thompson-Noel in Sydney

Mr Alan Bond, the Perth businessman, picked up an estimated 10 per cent of the shares in Swan Television and Radio Broadcasters in stock market dealings yesterday, and thus moved a step closer to gaining control of Australia's last listed major metropolitan television's licence holder.

Swan Television operates Perth's Channel Nine TV station, plus radio station 6KY.

On Wednesday, Bond Corporation Holdings launched a revised offer of A$7.50 per share, valuing the company at A$49.5m (US$44.6m), against an initial offer of A$6.36 per share.

The Bond offer has the broad backing of the Swan board, whose directors control between 49 and 55 per cent of the 6.6m shares on issue, though Mr Bill Hughes, a relative of Mr Bond's who owns 12.5 per cent, has not yet made a decision on whether to sell.

The offer price is 16 times projected current year net earnings of A$3.1m, which is high by recent standards.

However, the Bond camp sees the acquisition as a useful move, in stamping Bond Corporation as a leader in Western Australia, alongside Mr Robert Holmes à Court's Bell Group, which operates TVW Perth, Perth's other commercial TV station.

● The National Commercial Banking Corp of Australia proposes to change its name to the National Australia Bank Ltd, the short form used in its advertising and publicity material.

The bank, formed by the merger of the National Bank of Australasia and the Commercial Banking Corp of Sydney, said the short form has become well accepted since its adoption a year ago.

THE PROPERTY MARKET BY MICHAEL CASSELL

Provident sells £37m package

THE 1984 property investment market is off to a flying start, courtesy of Provident Mutual Life Assurance, which is selling a £37m package of property and land to British Petroleum Pension Trust.

In an investment deal with a price tag which will be hard to beat this year, Provident Mutual—along with its wholly-owned subsidiary, Provident Mutual Managed Pension Funds—has exchanged contracts for the sale of a portfolio of industrial property to BP's pension fund.

There are 24 investments involved—including one development site—and all have been assembled by Provident Mutual over the last 10 years.

Details of individual properties are not being given.

Both sides in the transaction are reluctant to say much about the agreement but it seems that Provident's decision to reorganise the balance of its investment portfolio coincided with BP's desire to buy more industrial property.

It is understood that Provident Mutual has property investments valued at around £145m and that the sale accounts for about 20 per cent of the main fund's portfolio and approximately 15 per cent of the managed pension fund's property assets.

Provident Mutual, which was advised by King and Co in the sale, says it is likely to reinvest a proportion of the proceeds in the industrial property sector, though the bulk of the money looks like going elsewhere.

For BP Pension Trust, advised by Debenham Tewson and Chinnocks, the latest acquisition will add further muscle to a property investment portfolio valued at around £430m, of which about £360m is in the UK. Some weeding out seems inevitable, however.

The pension fund bought the Knightsbridge Estate in 1977 for £45m and also owns the equally impressive Berkeley Square Estate. In the last couple of years, it has been rapidly stepping up its overseas property holdings.

Institutional investment still falling

INSTITUTIONAL disenchantment with UK property investment markets during 1983 has been clearly underlined in the latest set of government figures on investment activity.

They show that, although total net new investment by insurance companies and self-administered pension funds showed little change between the second and third quarters of 1983, the volume of funds going into property took another sharp downturn.

There were some signs in the last three months of the year that investment in property by the institutions was perking up, but it now looks certain that any recovery began too late to prevent 1983 from going down as a very weak year for the market.

According to the official figures, the insurance companies put an additional £158m into property during the third quarter of the year, bringing their total investment in the first nine months of 1983 to £572m against £718m in the same period of 1982.

At the same time, the pension funds invested an extra £117m net in property assets, bringing the nine-month total to £363m. Over the same period a year earlier, they invested £635m.

Together, the two principal sources of property investment funds put £275m into real estate during the third quarter of 1983, a fall of £205m compared with the same period of 1982. In the first nine months, their combined investments accounted for £935m of available funds, a reduction of over 30 per cent from the £1.35bn spent during the same period of 1982.

The official figures disguise widely varying institutional positons on property. Many of the larger funds spent most of 1983 refusing to contemplate new property investment, while some smaller ones continued to make acquisitons in order to build up the property content of their porfolios.

London tops world office cost table

THE CITY of London remains the most expensive location in the world for office accommodation, according to a survey of office costs by Richard Ellis.

The agents calculate that prime office space in the City costs around £52.70 a sq ft, a figure based on £31 a sq ft in rent and topped up with rates and service charges.

Second in the league comes New York at £46.55 a sq ft (including £37.54 rent) and third is Tokyo at £42.13 a sq ft (£34.82) rent. The figures clearly show that the gap between basic rent and total occupation costs is very much higher in the City of London than in other major centres. In pure rental terms, New York tops the table, with Tokyo second and the City in third place.

Bottom of the league for office costs is Barcelona, at £5.60 a sq ft, Brussels at £6.91 a sq ft, and Amsterdam at £8.20 a sq ft.

● Having agreed terms between Eagle Star Properties and Prudential Assurance, Pepper Angliss and Yarwood has sold the freehold of Sunley House, Sydenham Road, Croydon, to Scottish Widows Fund and Life Assurance for about £10.5m. A major part of the 110,000 sq ft building is let to the Property Services Agency.

● The Hong Kong government has postponed the sale of the Admiralty Two site, located above the mass transit railway station being built on Hong Kong island, until February 18. The site carries planning permission for a hotel and a minimum HK$300m is expected to be raised. In 1982, it was handed over to the government when Hang Lung Development declined to pay the HK$1.8bn premium then being asked for surface development rights. Interest in the site is now said to be high and the postponement has been made to allow potential bidders more time to prepare their offers.

● The first phase of Commercial Union Properties' Wimbledon town centre scheme has been let to Brown and Root (UK) at a rent of about £12 a sq ft. The deal involves 36,450 sq ft of floorspace and conditional terms have been agreed for a further letting of 7,367 sq ft.

● Plans by Haslemere Estates to develop the Richmond Riverside scheme are on public display until January 14. Haslemere and the Pension Property Unit Trust have agreed terms in principle with English Property Corporation to take over the development — involving a mixed offices and shop scheme on nearly four acres of land. The London borough of Richmond will meet on February 6 to consider the transfer, subject to planning permission from the Department of the Environment.

Quiz coup in Copthall Avenue

THE 1983 Christmas property quiz, which attracted over 100 entries, has been won outright by the property team at Scrimgeour Kemp-Gee, joint winners in 1982.

The Copthall Avenue quizmasters were the only entrants to submit a perfect list of answers, though they also clearly had trouble spelling Mississauga. For their endeavours, a jeroboam of champagne will shortly be despatched.

Competition was intense and among the unlucky runners-up were Quilter Goodison, Weatherall Green and Smith, Jones Lang Wootton and D. J. Freeman, the Fetter Lane solicitors.

My thanks for the interest shown. Such enthusiasm and endeavour will no doubt be required throughout 1984.

*

PICTURE QUESTIONS (a) Roger Smee of Rockfort. (b) George Nicholson, chairman of the GLC Planning Committee (c) 1—Merevale Properties; 2—London and Leeds 3—Coldwell Banker; 4—Grosvenor Estate 5—Jones Lang Wootton. (d) William Waldegrave, DOE Minister with responsibility for conservation. (e) Graeme Jackson of London and Manchester Securities.

1—Apsley House, Hyde Park Corner.

2—Hammerson wants control of Mascan, which owns a Mississauga, Toronto, shopping centre.

3—Wimpey Property is to develop the Little Britain site—including Postman's Park—in the City of London.

4—The team is to redevelop Wembley.

5—Druce was acquired by Hanover Investments, which also owns the Brookgreen Laundry and Dry Cleaning Company.

6—Carrian, in Hong Kong.

7—Royal Life is developing Cavern Walk in Liverpool.

8—Land Securities.

9—Part of London Bridge City, on the south bank of the Thames.

10—Owen Luder, past president of the Royal Institute of British Architects.

11—The north west Kent enterprise zone includes the old Royal Engineers' barracks at Gillingham.

12—Ronald Clempson, former chairman of the Crouch Group.

13—They are all members of Parliament.

14—He has been masterminding the recovery of Daon, the Canadian development group based at that address.

15—Trust Securities, in its attempt to take control of Percy Bilton.

16—The Oxo Tower.

17—Conrad Ritblat.

18—Hever Castle was purchased by Broadlands Properties a private property company based in Scarborough.

19—On the corners of Davies Street and Grosvenor Street, London, W1, where their offices are located.

20—Ronald Lyon, head of Arunbridge, which collapsed in 1983.

21—The Kings Observatory in Richmond. The lesser Group.

22—Strutt and Parker opened an office at Newport Beach.

23—The Property Services Agency, in a report by the two men into cases of fraud and corruption within the PSA.

24—Vanbrugh Life.

25—Kodak, which wants to move from its High Holborn offices.

26—David Davies left MEPC to become chief operating officer at Hongkong Land.

27—Henry Boot, which is redeveloping Paradise Circus in the centre of Birmingham.

28—Trafalgar House, which built Plumtree Court on the site of the old Evening Standard offices.

29—Gateway House won the 1983 Architecture at Work Award, sponsored by the Financial Times, which is based at Bracken House.

30—It arranged a letting to its rivals in Berkeley Square House.

31—The Property Market column in the Financial Times, interrupted by a strike.

32—The Presidency of the British Property Federation, which passed from Christopher Benson of MEPC, to Denis Marler, of Capital and Counties.

33—William Stern, the former property developer.

34—Viking Property is restoring the Demonet building.

35—Haslemere Estates.

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UK COMPANY NEWS

Electronic Rentals declines £1.7m

PRESSURE ON rental rates in thet UK and a £5m rise in depreciation have hit first half profits of the Electronic Rentals Group. The interim dividend, however, is held at 1.1667p net per 25p share.

For the six months to end-September 1983 profits at the pre-tax level fell from £6.16m to £4.43m although turnover for the period was little changed at £93.8m, compared with £94.38m.

The profits were struck after taking account of depreciation at £32.78m (£27.7m) and lower interest charges of £4.21m, against £5.44m previously.

In his interim report Mr Maurice Fry, group chairman, says that although there was a decline in colour television income this was offset by increases in video recorder income.

He tells shareholders that "there continues to be a significant rental demand both for replacement television sets and for second sets."

The chairman comments that in its drive for increased earnings the group will need to reduce costs further.

Meanwhile, the directors have been developing new ways in which revenue can be further increased. It is pointed out that last month saw the final depreciation charge in respect of the BRW acquisition and that this will have a "substantial" beneficial effect on next year's results.

Although it will take time for the various measures to have an effect efforts "will start to bear fruit" during the next 18 months.

A significant new profit centre, the business systems activity, is beginning to emerge, the chairman adds.

A trading activity analysis of group turnover and profit before interest (£8.63m, compared with £11.6m) shows: rental £81.66m (£74.63m) and £7.76m (£11.84m), business systems £8.33m (£3.13m) and £261,000 (£374,000 loss), retail nil (£3.14m) and £166,000 (£101,000), camping and leisure £3.73m (£13.4m) and £294,000 (£267,000 loss), property £76,000 (£82,000) and £307,000 (£353,00) and holding company £154,000 loss (£57,000 loss).

Of the rental figures UK turnover accounted for £63.82m (£59.54m) and profits £5.05m (£9.59m).

Group interest charges reflected the full benefit of the London and Montrose transaction and the continued fall in interest rates. At September 30 group borrowing and bills stood at £67m, an increase of £2m on the position at March 31 1983.

The chairman says that all parts of the business were profitable apart from the rental business in the U.S. and cable. In the case of cable the group has already started on the process of rationalisation of networks which Mr Fry says must be more radical than anticipated given that the group has not obtained any of the recently announced franchises for new areas.

Tax for the half year took £2.3m (£3.4m) and below the line minorities accounted for £27,000 (£36,000). There were also extraordinary debits of £50,000 (£374,000) which left available profits at £2.05m, against £2.35m.

Basic earnings emerged at 0.9p (1.3p) per share and net cash flow per share amounted to 15p (14.8p).

Trading rationalisation costs of £316,000, consisting mainly of redundancy costs incurred by Visionhire UK and head office relocation expenses, were charged against pre-interest profits.

Group pre-tax profits for the 1982-83 year totalled £12.09m (£15.56m). The total dividend was reduced from 4.3097p to 3.2322p, the final being 2.0655p.

See Lex

First half rise to £828,000 by New Court

An increase of 22 per cent from £678,000 to £828,000 has been shown by New Court Natural Resources for the first six months to the end of September 1983. Mr David Hayller chairman, says that the outlook is "encouraging."

In view of success experienced from new wells drilled at the Avant Field, Mr Hayllar says that since the year end 12 additional wells have been drilled all of which are now producing. He says that current production is running at a much higher level

Turnover of this oil and gas property investor, which trades its shares on the USM, expanded from £1.13m to £1.85m.

In the last full year pre-tax profits came to £1.29m from which a single dividend payment of 1.2p net was made.

Guinness Peat exceeds forecast

THE DIRECTORS of Guinness Peat Group, merchant banker and insurance broker, have reaffirmed their forecast of a return to the ordinary dividend list and also announce better than expected after tax profits of £1.6m for the 11 months to September 30 1983.

It is expected that an ordinary dividend will be paid next June in respect of the six months to March 31 1984. The preference dividend which was due on December 31 has been paid together with all arrears from December 1982 and June 1983.

Reorganisation of the group was finished last August and consolidated by the acquisition of Moorside Trust in November, when profits of at least £1.5m were forecast for the 11 months.

A change of year end has resulted in a financial period of 17 months to the end of last September. For this period a pre-tax loss of £2.07m was incurred, struck after deducting non-trading interest of £9.08m. Profits for the 11-month period were after deducting non-trading interest of £5.22m.

For the 11-month and 17-month periods respectively tax was £962,000 and £1.51m; profit on banking £1.45m and £2.1m; minority interests £147,000 and £202,000; extraordinary debits £468,000 and £1.41m; preference dividends £30,000 and £45,000. Retained surplus was £1.08m and deficit £3.13m. Earnings per share totalled 1.37p for the 11 months.

In the year to April 30 1982 the taxable deficit, after deducting non-trading interest of £7.83m, was £31.09m.

● comment

Guinness Peat's annual report should provide more detail for ponderous reflection—there is for example £¾m of property profit in the past five months. But for the present the point is that the forecast has been achieved, albeit that the results are of little relevance to the future. G. P. Aviation may be publicly floated this year but the dramatic and rapid reconstruction of the group under Alastair Morton's stewardship is largely complete. Borrowings are now £17m against over £135m when he arrived. This year could see profits of £6m to £7m after taxation against £1.6m and a return to the dividend list. The group is now at the point where predators might feel relaxed about making a move. Presumably the Kissin family holding of 10 per cent could be shifted at the right price. Yet with a market capitalisation of over £110m at 62p only a predator of some means—and perhaps an equal amount of faith—need apply.

Howden advances to £3.7m midterm

MAINTAINING a six-year run of profits growth, albeit at a slower rate, Howden Group pushed first half taxable profits up by 4 per cent from £3.56m to £3.71m.

The growth is expected to continue in the second half and the full year's outcome will show a "satisfactory increase" over last year, the directors state. They add that the order book will continue at a high level and the liquidity position will remain healthy.

The group, an engineer, air, gas and fluid handling equipment specialist, intends to declare, in March, an effectively higher interim dividend of 0.8p in respect of the six months to October 31 1983. Last year's interim payment after adjustment for a one-for-one scrip issue was 0.73p, followed by a final of 1.69p.

For the year to the end of last April the group achieved a 7 per cent advance in taxable profits to £9.25m on turnover down at £135.43m against £142.17m.

Tax payable for the opening period was lower at £1.12m (£1.31m), minorities absorbed £410,000 (£165,000), leaving a surplus of £2.18m compared with £2.09m.

With effect from November 1 1983, the group has reached agreement to acquire Machinefabriek Oldenzaal Beheer BV (MAFO) and its subsidiaries based in Holland, Spain and the U.S. for £1.2m. MAFO has designed and is manufacturing a unique range of easy-access doors and hatches for naval vessels.

● comment

Good old Howden plods steadily on. A 4 per cent increase in pre-tax profits at the interim stage represents a slight slackening of pace, but there are few worries about the order books. The Glasgow power generation equipment plant is well loaded for the next couple of years and Renfrew will be kept busy until 1987-88 on the AGR programme. The group has continued its gradual expansion into defence with the acquisitions of Westair and MAFO, which between them are capable of at least £250,000 in a full year. Further ahead, the main concern is how to fill the gap to be left by the completion of the AGR contracts. The only new product to have emerged recently is a small windmill for the general public, but the real focus is on developing equipment for the PWR type of reactor. Meanwhile, the 9.6 per cent dividend increase points to a more exciting profits performance in the second half, which could lift the full-year out-turn to around £10m pre-tax. At yesterday's price of 72½p, up 2p, that puts the shares on an undemanding multiple of 6.2, assuming a 30 per cent tax charge.

Legal & General's annual premiums are 22% higher

Legal and General Group, Britain's second largest life assurance group, reported new annual premiums on its worldwide business up by 22 per cent from £103.1m to £126.1m, and single premiums more than doubling from £91.1m to £218m.

New immediate annuity investments rose by 60 per cent from £16.6m to £26.7m.

The success story for L and G concerned its UK individual life business where new annual premiums almost doubled from £39.8m to £77.5m, due mainly to the popularity of mortgage-related business following the introduction of MIRAS. New annual premiums on this business increased three and a half times from £13.7m to £46.2m.

The group's unit-linked individual life and pensions business soared with new annual premiums up by 60 per cent from £6.3m to £10.2m, while linked life single premiums more than quadrupled from £33.3m to £154m—a figure that puts Legal and General up among the top life companies for linked life single premiums business.

However, L and G, Britain's largest pensions company, reported lower group pensions business in the UK because of the effects of the recession on earnings and unemployment. New annual premiums fell by over 25 per cent from £48.6m to £35.6m, partially offset by a 12 per cent rise in single premium payments from £18.4m to £20.7m.

Record new business figures were achieved by Scottish Amicable Life Assurance Society last year thanks to MIRAS and the new found growth in linked life business among traditional life companies.

New annual premiums of the mortgage-related contract Home Purchaser increased five times to £31.6m, leading to new annual premiums on individual business more than doubling from £22m to £50.1m.

Single premiums on individual life business almost doubled from £32.6m to £59.9m, following an increase of nearly 150 per cent in linked life single premiums to £43.6m. Linked life annual premiums were over 80 per cent higher at £2.5m.

Total group and managed fund premium revenue advanced two-thirds from £119.2m to £194.9m, with the drop on insured scheme premiums being more than offset by the growth of the managed fund SCAMPI.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Final: Watson and Philip.

FUTURE DATES

Interims—

Allied Colloids	Jan 18
Carclo Engineering	Jan 9
Cray Electronics	Jan 18
East of Scotland Onshore	Jan 27
Electronic Machine	Jan 17
Fleming Technology Inv. Trust	Jan 18
MFI Furniture	Jan 17
Macarthys Pharmaceuticals	Jan 24
Mercantile House	Jan 24
Restmor	Jan 16
Stewart Plastics	Jan 26
Finals—	
Barr (A. G.)	Jan 5
Oakwood	†Jan 19

† Amended.

Rigby placing to raise £240,000

Rigby Electronics, a Manchester-based manufacturer of microprocessor control systems for vending machines, is coming to the market created by licensed dealer Harvard Securities.

A total of 1.6m shares are being placed at 15p each, equal to about 40 per cent of the equity, raising £240,000 and capitalising the company at £540,000.

Rigby, which was started in 1972 by its present chairman, Mr Brian Rigby, expects to make profits of £55,000 in the year to June 1984. Mr Rigby has previously worked for Pilkington and Royal Worcester.

It is hoped that investors will be attracted to the issue by the prospect of claiming tax relief under the Business Expansion Scheme. Dealings are expected to begin on January 17.

Rights and Issues

The Rights and Issues Investment Trust has declared a supplementary dividend of 1.575p net on the 25p capital shares for the 1983 year. The dividend will be paid on January 31.

RBC North

The directors of RBC North American Fund have decided that in view of the small amount of income available, they will not be declaring an interim dividend in respect of half year to January 4 1984.

MINING NEWS

Pancontinental buying £53m BHP coal stake

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Pancontinental Mining, for over a decade the frustrated owner of 65 per cent of the still unexploited and big Jabiluka uranium deposit in the Northern Territory, is taking a major step forward with a US$75m (£52.8m) investment in Australian coal.

It is now confirmed that Pancontinental is to take an initial 3 per cent stake in the big Queensland coal consortium being put together by Broken Hill Proprietary (BHP) for the acquisition of the Utah group of companies from General Electric of the U.S.

Pancontinental is buying 3 per cent of the proposed Central Queensland Coal Associates and the Gregory mine joint ventures. In addition, it is negotiating for a 12 months' option on a further 2 per cent stake in the joint ventures.

Fund-raising will include a credit facility of some US$45m which is on a non-recourse basis in that any default on Pancontinental's part is recoverable only from the joint venture assets.

There will also be a placing of 29.5m Pancontinental shares at a price of A$1.05 (66.5p); and a renounceable rights issue of one-for-four at A$1, the new shares carrying an option to subscribe for a further share at A$1 before April 19, 1985.

Exercise of the share options together with the other funds would be sufficient to cover the purchase of the further 2 per cent in the coal ventures and also assist in the development of Pancontinental's Paddington gold project in Western Australia.

Mr Tony Grey, chairman of Pancontinental, said yesterday that the deal would make the company "largely a new Australian mining house."

At present it has no revenue, but the coal deal will mean an immediate and considerable income from major and well established low-cost producers of coking coal. They are well placed with long term contracts to supply consumers in Japan, South Korea, Europe and Brazil.

This income will be augmented in the second half of 1985 by earnings from the Paddington gold mine and also oil revenue from the 10 per cent stake held by Pancontinental Petroleum in the successful Tintaburra well in Queensland. Oil revenue from the 10 per cent stake in the South Pepper well is likely early in 1986.

Following the share placing and rights issue Pancontinental's issued capital will rise to approximately 105.4m shares from the present 55m. They were 4p down at 70p in London yesterday.

Maynards document forecasts profits rise

BY RAY MAUGHAN

THE only point where Maynards is prepared to agree with its adversary, Mr Lewis Cartier, is on the future of the group's confectionery, tobacco and newsagents division (Known to the trade as CTN).

Both sides are certain that it should be sold. Mr Cartier, who sold his supermarket group to Tesco before entering the U.S. real estate market, said as much when launching his contested 250p cash per share partial bid for Maynards last month.

Maynards yesterday posted its formal defence document to shareholders and forecast that pre-tax profits for the year to June will reach £1.28m against £917,000 before exceptional items.

Within that forecast, the board estimates that the manufacturing division will lift annual trading profits from £558,000 to £725,000, while the Zodiac toy retailing division will be affected by "increased premises costs and other overheads" to cut trading profits from £844,000 to £775,000.

The CTN divison is estimated to have lost £220,000 in the six months to the end of last month against a deficit of £485,000 in the whole of the previous year.

Maynards warns that the disposal of the 133 CTN outlets may take some time, but any *losses incurred from January 1* onwards will be treated as an extraordinary item.

The division employs som 740 staff and on a December 31 valuation, its property assets are worth £3.87m, against the earlier valuation of £1.1m. The book value of its fixtures and fittings is also £1.1m and net working capital is around £800,000.

The group, as a whole, is backed by assets of 307p net per share at current values.

Mr Cartier has said that he intends to dispose of the confectionery manufacturing division "either by way of an outright sale, a management buy-out or a de-merger."

Maynards, however, insists that manufacturing forms the "core of the group's business" and says that its return on capital employed has improved to 13 per cent—far better, it claims, than most if not all of its branded product rivals—and has invested in new capacity to increase speciality chocolate manufacture at its Harringay, North London plant.

As to Zodiac, the toy retailing diversification started in 1969, Maynards is "confident that its methods of trading in this specialist sector represent a successful formula and that the planned expansion will be justified by results."

The board says that its returns are "materially" better than 20 *per cent of capital employed in* this area and, like the manufacturing division, Zodiac will be absorbing the cash released from the disposal of CTN.

The current toy retail store size is about 1,550 sq ft of net selling space but the mid-term development programme, said to be "substantial," is aimed at doubling the average store area.

The defence says that the offer document "glosses over" Mr *Cartier's activities since he sold* the supermarket business to Tesco in June 1979. Maynards points out that the bidder had been the majority shareholder in CSL, described as a toy retailer, before that business went into insolvent voluntary liquidation in March 1982 and had had almost total control of Dealgift, described as a supermarket, which was subject of a compulsory winding up order in October 1982.

Maynards shares responded to the profit forecast and revaluation by adding 5p to 285p yesterday which represents a 35p premium to the bid terms.

BAT acts to remove threat to Eagle bid

BY CHARLES BATCHELOR

BAT Industries has bought a 4.84 per cent stake in Eagle Star from an American share dealer in a move which it believes removes the only possible threat to the success of its record £968m bid for the UK insurance group.

De Zoete & Bevan, the stockbrokers acting for BAT, bought 6.69m shares at 693½p each from funds managed by I. F. Boesky Corporation, a New York risk arbitrageur and merchant bank.

Allianz, the West German insurer, which was a rival bidder for Eagle Star, agreed to sell its 30 per cent holding in Eagle Star to BAT provided no higher offer emerged before January 18. Morgan Grenfell, Allianz's merchant bank adviser, has insisted throughout the talks that a third party, probably American, held just under 5 per cent of the Eagle Star shares which could be used to mount a counter-bid.

Mr Jim Titcomb, senior partner of De Zoete, said: "We think the mythical American has now come out. The fact that he has accepted our offer means he does not think there is anyone else."

Mr Ivan Boesky, 46, is the founder of a small group of American arbitrage houses which buy shares of companies in the hope of making a profit on their resale. The three or four large U.S. arbitrageurs, of which Boesky is probably the *largest, have been taking an in*creasing interest in UK bid situations in recent months.

The price paid by De Zoete is the equivalent to the 700p offer price when interest charges on the value of the shares up to February 16, the effective payment date, are taken into account, De Zoete said.

BAT Industries commented: "We hope that anyone holding out for a better offer will now follow Mr Boesky's lead. This represents a substantial step forward."

Eagle Star's shares rose 4p to 696p yesterday while BAT fell 1p to 175p.

Stenhouse urges members to shun associate's offer

THE DIRECTORS of Stenhouse Holdings, the Glasgow-based insurance broker, have written to shareholders urging them not to accept the £52.8m share offer by Reed Stenhouse, the Canadian associate, and warning them against the apparent finality of Reed's statement that its offer will not be increased.

Enclosed with the letter is a Notice of Withdrawal for those shareholders who have already accepted the current offer and who may wish to withdraw. At the original closure of the offer on December 23, Reed announced that it had received acceptances amounting to 36.5 per cent.

Stenhouse Holdings is the former parent of Reed Stenhouse, in which it still holds a 48.9 per cent stake, and while it agrees in principle to the merger with the Canadian-based group it remains adamant that the terms of the offer are inadequate.

In the letter to shareholders, Mr A. W. John, chairman of Stenhouse Holdings, argues that the current offer, now due to close on January 11, "would result in the earnings of Reed Stenhouse shareholders rising by 11 per cent, while yours would fall by 6.5 per cent. We do not believe Reed Stenhouse's claim that its shareholders need such a large increase in their earnings—at the expense of yours—to persuade them to approve the merger."

BIDS AND DEALS IN BRIEF

Amalgamated Distilled Products, a subsidiary of Argyll Group, has sold its bottling and bonded warehouse subsidiary, Grangemouth Bonding Company, to William Muir (Bond 9).

The sale has been satisfied by a cash consideration equal to Grangemouth's estimated net *asset value, including repayment* of inter group indebtedness, at December 31 1983, of £2,050,000.

Turnover and profit before tax of Grangemouth for the year ended March 31 1983 were £1.39m and £180,000 respectively.

* * *

Atlanta Investment Trust has acquired a 14.58 per cent stake in London Prudential Investment Trust.

Atlanta says it has bought the *shares for "investment purposes"* and does not plan to increase the holding of 875,000 shares. Its stake is valued at £12.18m at yesterday's price of 203p a share, up 13p on the previous day.

The Arab-backed Morgan Credit directly owns 6 per cent of shares in Atlanta Investment and the State of Guernsey Superannuation Fund owns 5.8 per cent. Atlanta was formerly known as the Atlanta, Baltimore *and Chicago Regional Trust.*

* * *

Mintinex purchased 500,000 shares (9 per cent) of Reliant Motor equity yesterday.

BSR sale reaps £3.85m

BSR International, the audio and electronics group, is selling its BVC subsidiary to Crest Nicholson, the property, leisure and engineering company, for £3.85m.

D. D. Lamson, a subsidiary of Crest Nicholson, is to buy the business and trading assets of BVC—which makes mobile and fixed plant industrial vacuum cleaners—for £1.1m, while another Crest Nicholson subsidiary, Crest Homes, has agreed to pay £2.75m for BVC's 22-acre Leatherhead production site.

BVC is expected to show a break even position for 1983 on turnover of about £4m. Pre-tax losses for 1982 amounted to £259,000.

The sale marks the latest step in a major restructuring undertaken by BSR over the last year which produced a return to profit of £6.2m in the six months to June 1983, against losses of £1.8m for the first half of 1982.

The company said yesterday that BVC "does not readily fit into BSR's long-term strategy" and that its recovery would be better secured in a group such as Crest Nicholson with compatible business activities.

D. D. Lamson, where the main business is office equipment and cash conveying systems, is involved through its Bivac division, with industrial vacuum cleaners.

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Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	124	—	6.4	5.2	7.3	9.5
158	117	Ass. Brit. Ind. CULS...	136	—	10.0	7.4	—	—
78	62	Airsprung Group	75	—	6.1	8.1	21.4	21.4
38	21	Armitage & Rhodes......	28	—	—	—	—	—
273	141½	Bardon Hill	273	+1	7.2	2.6	11.1	22.7
54	53	Bray Technologies	54	—	2.7	5.0	9.7	10.8
200	198	CCL Ordinary	198	—	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref....	147	—	15.7	10.7	—	—
165	100	Carborundum Abrasives	165	+65	5.7	3.5	—	—
249	100	Cindico Group	100	—	17.6	17.6	—	—
63	45	Deborah Services	52	—	6.0	11.5	27.8	45.2
184	75	Frank Horsell	184	—	—	—	7.7	12.7
172	75½	Frank Horsell Pr Ord 87	172	—	8.7	5.1	7.2	11.9
69	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
39	32	George Blair	33	—	—	—	—	—
80	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
226	134	Isis Conv. Pref.	225	−1	17.1	7.6	—	—
121	61	Jackson Group	121	—	4.5	3.7	6.3	12.4
237	169	James Burrough	235	—	11.4	4.9	13.0	13.4
310	275	Minihouse Holding NV	310	+5	4.0	1.3	23.3	23.3
178	118	Robert Jenkins	118	−2	20.0	16.9	13.7	9.2
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	75	Torday & Carlisle	75	—	2.9	3.9	—	—
440	385	Trevian Holdings	440	+5	—	—	9.0	8.2
28	17	Unilock Holdings	17	—	1.0	5.8	11.1	16.2
90	65	Walter Alexander	87	—	6.8	7.8	7.6	10.1
276	240	W. S. Yeates	240	—	17.1	7.1	3.7	7.7

Notice of redemption to holders of

BEECHAM INTERNATIONAL (BERMUDA) LIMITED

8¼% Guaranteed Bonds due 1986

Unconditionally Guaranteed by **BEECHAM GROUP p.l.c.**

NOTICE IS HEREBY GIVEN that, pursuant to Condition 5 of the First Schedule to the Indenture dated the 3rd day of February, 1971 between Beecham International (Bermuda) Limited, Beecham Group Limited and Eagle Star Insurance Company Limited, the Bonds bearing the undernoted serial numbers have been drawn for redemption on 1st February, 1984 ("the redemption date"), by operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof. Interest on each such Bond will cease to accrue from the redemption date.

BONDS OF US$1,000 EACH

[illegible]

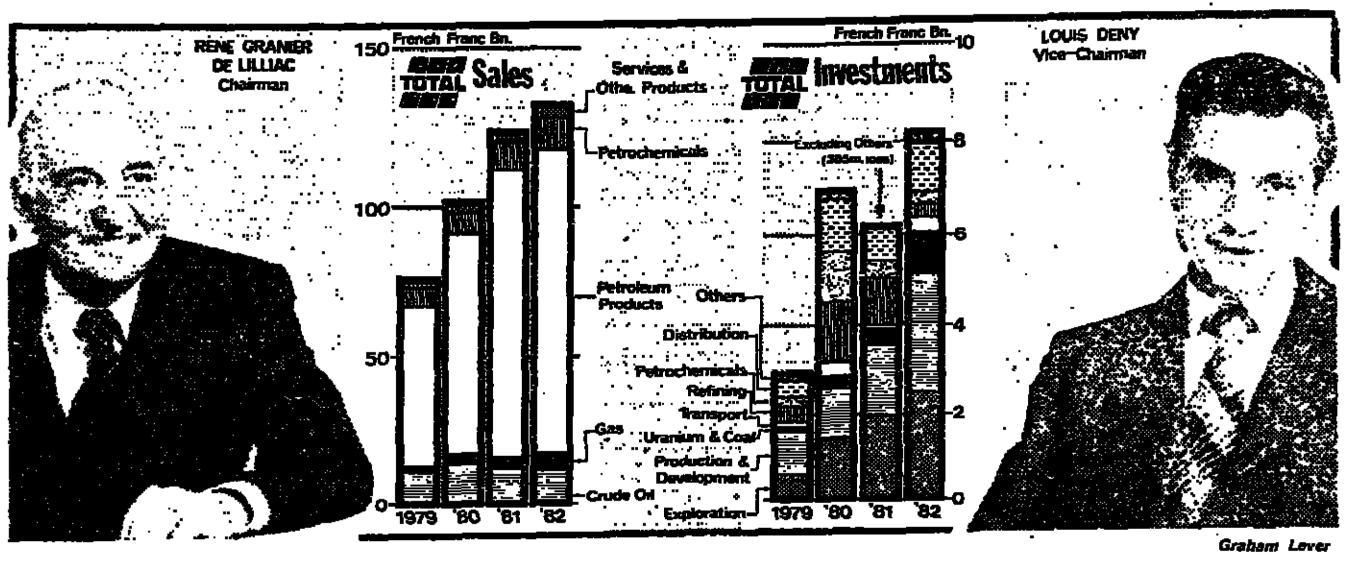
The above numbered Bonds will be redeemed at the principal office of Morgan Guaranty Trust Company of New York at 30 West Broadway, New York, New York 10015; Banque Internationale á Luxembourg S.A. at 2 Boulevard Royal, Luxembourg; Credito Italiano at Piazza Cordusio, Milan, Italy; and at the main offices of Morgan Guaranty Trust Company of New York in London, Paris, Brussels and Frankfurt/Main, upon surrender of such Bond, for payment and cancellation, together with all interest coupons maturing subsequent to the redemption date. Coupons due 1st February, 1984 should be detached and presented for payment in the usual manner.

Dated: 6th January, 1984

By Order of
Beecham International (Bermuda) Limited

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ



Graham Lever

Why Total is taking stock

Paul Betts explains the French oil group's changing strategy

WITH A little trepidation, the old lady of Auteuil, as the Compagnie Francaise des Petroles (CFP) or the Total group is known in French business circles, is shedding some of its veils. Although it is no striptease, it is a revolution of sorts for an oil company which has always had a penchant for keeping out of the public spotlight. Its legendary discretion, Louis Deny, the deputy chairman, acknowledges, has been exasperating at times.

The change has been forced upon the large French oil company as much by internal as external factors. Morale at CFP has been low in recent months. A few simple figures explain why. Before the first oil shock, CFP was, as oilmen like to put it, long in crude. The French company, sometimes referred to as the "eighth sister," had grown rich on its abundant supplies of Middle East crude which had come about when it was associated in the Iraq Petroleum Company (IPC) with British Petroleum.

In 1972, CFP's crude oil resources totalled 69.7m tons and its balance sheet showed healthy earnings of FFr 627m. By 1982, after two oil shocks, the nationalisation of international oil company assets in Opec countries, and the profound change in the world market, CFP's crude resources had declined to 44.3m tons and the grand old lady reported its first loss, a whopping FFr 1bn, that year. Although operating results have improved in 1983, the net figures are again expected to show a lot of red ink in the latest year.

Of all the major international oil companies, CFP was perhaps the most vulnerable to the dramatic changes that hit the oil industry during the past decade. With little crude resources outside the Opec producers, CFP had to embark on a particularly complex restructuring programme.

The French oil company had used the revenues from its upstream resources to develop a major international downstream network of more than 20 refineries and a host of retail outlets. It now had to find new oil resources. It used its skills at international negotiations to secure access to new sources of crude. It claims to have been one of the pioneers of industrial co-operation between international oil companies and developing countries.

In this way it managed to build up a major presence in Abu Dhabi and to maintain access to Algerian oil and gas when Elf Aquitaine, the rival state-controlled French oil company, was forced out by the Algerian government. CFP also started investing heavily in exploration. It acquired substantial positions in the North Sea and in Indonesia.

It went ahead with its restructuring quietly, making deals upstream behind the scenes with new oil-producing partners and rationalising its downstream operations. But this softly-softly strategy, in contrast to the outgoing, sometimes pushy public approach of Elf, appears to have caused increasing discomfort within the oil group, especially in some of its distant foreign branches and among some of its middle management.

Moreover, ever since the Socialists came to power in France, CFP, 35 per cent owned by the government, has had to fight a rearguard action to try to establish with the left-wing authorities the private, autonomous character of the company. This issue is all the more delicate because CFP will have to appoint a new chairman to replace Pierre Granier de Lilliac, who retires next October at the mandatory retirement age of 65. The oil company is clearly opposed to any attempt by the government to try to thrust upon it in high-handed fashion a new chairman not of the company board's choice.

In an effort to boost morale, CFP recently organised an internal management seminar just outside Paris. This was largely designed to give senior management the opportunity of spelling out the company's strategy, the direction it was going and the new look it wants to project to the outside world.

Deny made it clear that for CFP at least the chain of vertical integration was broken. In the oil business, he argued, it was unlikely that the major oil companies would re-establish this broken chain although the oil producers, like Kuwait, might end up re-creating a vertical chain by moving increasingly downstream in industrialised markets.

In the upstream oil and gas business, CFP is now pressing forward with its policy of developing new markets through industrial co-operation with oil producing countries and by exploration and development in new areas outside Opec like the North Sea, Argentina, and Egypt, among other regions.

Downstream, CFP is continuing with the painful process of rationalisation in the face of the changed oil products and refinery business. After selling its petrol distribution network in Switzerland in 1979 and shedding its refinery and distribution system in Australia, CFP is actively trying to sell its Italian refineries and petrol retailing network. The French group has three refineries in Italy where it has been losing money.

While upgrading its existing refinery system in France, it has also warned the government like other French refiners that the French state petroleum price-fixing system cannot continue without leading to dire consequences for the industry. By artificially fixing the U.S. dollar lower than the dollar-franc market rate in the formula, the government has penalised refiners in France. The problem is particularly pronounced for Total which has the largest single share of the domestic French market with around 24 per cent.

The French company, like other oil companies with refineries in France, has given the government notice it would be forced to reconsider its investment policies in this sector unless the adminstration revised the system of fixing oil product prices in France.

If the future of the refinery business remains uncertain, CFP has increased its commitment to the uranium and coal businesses. Deny describes the company's diversification into those areas as a long-term effort. CFP recently increased its presence in the uranium sector by buying for FFr 350m the French uranium mine of Dong-Trieu from the private Empain-Schnieder group. This mine produces 400 tonnes of uranium a year which is entirely sold to Electricite de France, the French electricity concern. CFP has also now taken full ownership of Minatome, the uranium group it jointly owned with the Pechiney aluminium company and which holds, among other assets, interests in Australia and a 10 per cent stake in the huge uranium mine of Rossing in Namibia.

CFP's coal business is centred principally in South Africa and in the U.S. Company officials say the coal operations are profitable, and the company has recently been extending its interests in this field by buying the coal properties of a subsidiary of Exxon in the U.S.

The other two areas of diversifications at CFP are fertilisers and solar energy. Among other activities the company is pursuing research in photoelectric cells, an area of solar energy in which the rival Elf group is also interested.

Its fertiliser business is largely a spillover from the latest reorganisation of the French chemicals industry under the socialists which provoked last year a spectacular and bitter confrontation between the government, Elf and CFP. In the end, the confrontation cost Albin Chalandon, the former chairman of Elf, his job. It also saw Elf finally become the focus of the French heavy chemicals industry with Elf taking over the heavy chemical assets of Pechiney and those it jointly owned with CFP.

"We couldn't abandon everything," a CFP insider remarked. As a result, CFP is to become a second force in the French fertiliser industry alongside the chemicals subsidiary of Charbonnage de France, the French coal board. But CFP has insisted that the government provides financial support for this.

Scramble to find new supplies of crude in Egypt and the Sudan

TOTAL'S headquarters in Egypt are in a most unassuming building in one of the quieter suburbs of Cairo—that is by the notoriously noisy standards of the Egyptian capital. There are no pictures on the walls; the canteen has no chairs and is obviously designed for quick stand-up snacks.

The whole place has a temporary, make-shift look about it, reflecting the fact that the French oil company is a relative newcomer on the Egyptian oil scene. But it also seems to reflect the legendary discretion of an oil company that has at times been mistaken for a branch of the French foreign service.

Total's experience in Egypt during the last four years offers a revealing insight into the problems and difficulties facing a major oil company when it enters the exploration game late in the day. For nearly two decades, Total, like an absentee landlord, grew fat off its large available oil resources in the Middle East. But with the two oil shocks of the seventies and the depletion of its oil resources, it has been scrambling to find new supplies of crude.

"We selected Egypt for two main reasons," explains Alexis Moures, head of Total's Egyptian branch. "It was part of the company's efforts to diversify its oil resources away from the Middle East. It also offered interesting, although not dramatic prospects."

But Moures asknowledges Egypt has so far been a disappointment for Total. After spending $128m in four years, Egypt has to date only given Total a return of $2.5m and marginal production of 1,000 barrels a day from a single field in 1982. Production from this field on the west coast of the Gulf of Suez has declined to 530 barrels a day in 1983.

The French company's strategy for exploration and diversification of crude resources is based on two principles. The long term strategy is to try to discover major fields. Total, for example, is hoping its substantial unexplored acreage in the Sudan will eventually produce a major long term discovery. "We plan to start drilling at the end of 1984. But it will be a lengthy and costly business," says Francois Castellani, head of Total's North African and Mediterranean operations.

In the shorter term, Total has been seeking to make up eventual oil supply shortfalls with more modest discoveries in well established oil basins. The Gulf of Suez is such a basin with the big discoveries made in the late sixties and early seventies. "We came here in 1979 not expecting to make any fabulous discoveries would be economically viable and helpful to the company's overall oil supply.

What may have seemed viable in 1979, however, may no longer be so today following the recent changes in the general oil market. "We are now asking ourselves questions about the future of Egypt," acknowledges Castellani.

Unless Total can finally make a relatively attractive discovery on its blocks in the Gulf of Suez or in the West Sinai offshore area, the company will clearly have to reconsider its Egyptian strategy.

Total is increasingly under pressure to cut back on costs after losing money for the first time in its history in 1982. "The euphoria of 1980 and 1981 when we had just established ourselves here has disappeared," a local Total Egypt exploration man remarked.

"Working conditions are not as good as they could be. We are working with very restrictive budgets. It's very frustrating for all the exploration people," he explained during a recent visit to Total's Egyptian operations in the Gulf of Suez.

With hindsight, acknowledges Louis Deny, Total's deputy chairman, the group should have been more committed to exploration in emerging new oil regions than it was in the sixties. After the oil shocks of the seventies, these efforts would have paid off handsomely. In the 1980s, however, it has become a far more costly and complicated business to explore for new oil—as Total's current experience in Egypt eloquently reflect.

Management abstracts

Misconceptions about managerial productivity. K. E. Weick in Business Horizons (U.S.), July/Aug 83.

Contends that many managers place too much emphasis on analysis and planning (as it weakens management), and disputes the idea that reflection necessarily produces better decisions; disagrees with von Clausewitz's suggestions on how to treat dull and bright people, maintaining that more attention should be paid to action rather than thinking, the reactive manager being the best manager.

Imprinting the young employee. M. F. Gast and P. J. Patinka in Business Horizons (U.S.), July/Aug. 83.

Argues that employees are highly susceptible to influence at the start of their careers, and describes a training programme designed to "imprint" recruits with the organisation characteristics and expectations; explains the briefing of line managers on their relationships with their new charges, and how follow-up is conducted at the end of each of the first two years.

The interface between strategy and manufacturing technology. M. Jelinek and J. D. Golhar in The Columbia Journal of World Business (U.S.), Spring 83

Outlines advances being made by new manufacturing technologies, and points to the major impacts likely on product design, marketing mix, manufacturing management, and—especially — companies' broad strategies; suggests that strategies will be formed around the distinctive competence in manufacturing brought about by the new technologies, rather than solely in terms of product design or market sector competence.

Tighten up your payroll system. W. L. Kendig in Financial Executive (U.S.), Aug 1983

Tells how the Department of the Interior combined two payroll systems into one; describes how users were consulted, technical needs assessed, and cost comparisons carried out; points to the benefits to any large organisation from a single payroll system.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley, HA9 8DJ.

TECHNOLOGY

EDITED BY ALAN GANE

PROP FANS MAY REPLACE JET ENGINES ON SHORT HAUL AIRLINERS

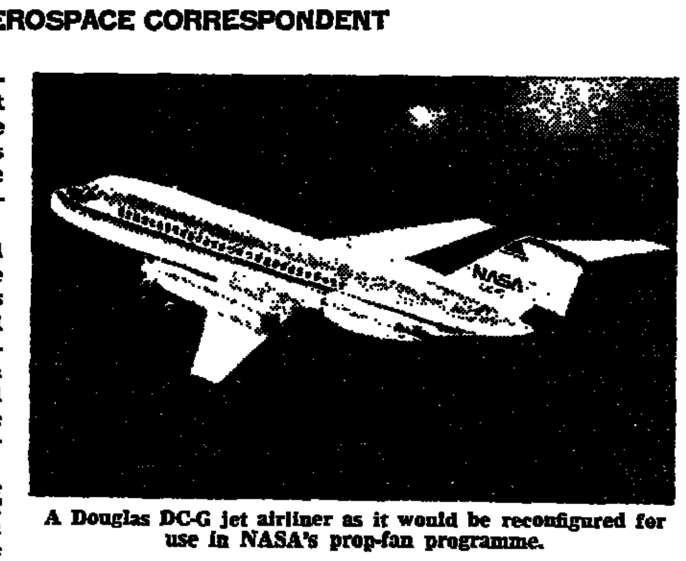
Another turn for propellers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A MAJOR U.S. research programme is expected to start early in 1984 that may decide whether the propeller replaces the jet engine on some of the new short-to-medium range airliners of the future.

A 48-month long ground and flight test programme is to be sponsored by the Lewis Research Centre of the National Aeronautics and Space Administration, under a multi-million dollar contract to be awarded soon, for which many of the major U.S. aerospace manufacturers have made a bid.

The aim will be to determine whether an entirely new type of propeller, shaped rather like a ship's screw and bearing little relation to the conventional four-bladed propellers of today, can when harnessed to a gas-turbine engine, provide adequate savings in fuel while providing sufficient speed, comfort safety and reliability to justify their use in place of jet engines.



A Douglas DC-G jet airliner as it would be reconfigured for use in NASA's prop-fan programme.

Several technical problems must still be solved, however, before prop-fans can be widely used

The propeller is not new in aviation. The entire early history of the aeroplane up to the advent of the jet age, was built round the propeller.

Even when the gas-turbine engines arrived for commercial aviation after the Second World War, they were used to drive propellers (turbo-props) as well as in the form of pure jet engines.

Many highly successful commercial transport aircraft were, and still are, turbo-propeller driven, such as the British Viscount and Britannia airliners, and today's U.S. Lockheed Hercules transport.

The primary difference between the new generation of "prop-fans," as they are now called, and the older generation of turbo-propellers is that prop-fans can perform efficiently at speeds far higher than the turbo-props, even coming close to the speeds achieved by pure jet engines.

Also, they are much more economical on fuel—as much as 35 per cent better — than jets, or even the older turbo-props. This greater efficiency comes from the highly-swept, multi-bladed design of prop-fans made possible by new materials and design techniques.

This means that prop-fans can be considered for potential use in much larger and faster transport aircraft than the original turbo-props, and there is now growing interest in them for use in short-to-medium range 100-plus seat transports in place of jet engines.

Problems

Several technical problems must still be solved, however, before prop-fans can be widely used.

These include questions of vibration, internal cabin and external noise, the interface between prop-fan engines and wings, especially the stresses and strains on wings and fuselages, and maintenance capabilities. New types of gearboxes will also be needed.

Some aerospace manufacturers believe that it could be some time before any of these questions are satisfactorily answered and the appropriate designs of prop-fan engines and propellers produced.

For this reason, most manufacturers, such as Airbus Industrie of Western Europe, who are interested in developing a new generation of 150-seater jets for service from the late 1980s through to the end of the century, are still putting their faith, and their cash, on the well-proved jet engine.

The Airbus A-320, for example, will use the France-U.S. (Snecma-General Electric) CFM-56 Dash 4, while Rolls-Royce, Pratt and Whitney of the U.S. and other engine builders in Germany, Italy and Japan have set up a new consortium, International Aero-Engines, to build a new 23,000 lbs-plus thrust engine for the same types of 150-seater jets.

In the U.S. prop-fan research programme, a multi-bladed propeller like a ship's screw and designed by Hamilton Standard (a United Technologies company) will be harnessed to an Allison gas turbine engine originally developed for the U.S. Army's heavy-lift helicopter programme. Engine makers believe that the types of gearbox developed for big helicopters could be adapted for use in prop-fan engines. The gearing ratios used to turn the helicopter rotors are akin to those needed to drive a big prop-fan.

New plans

Among U.S. airframe manufacturers which have submitted plans for the use of short-to-medium range jet aircraft, suitably adapted, in the programme is McDonnell Douglas, whose Douglas Aircraft Company division is particularly interested in prop-fan technology.

The Douglas proposal to NASA envisages a detailed ground-based wind-tunnel and flight test programme of an eight-bladed 9-ft diameter prop-fan, harnessed, with the Allison engine, to a full-scale DC-9 jet airliner wing in a special nacelle.

This could be tested at NASA's Ames' Research Centre's 40 ft by 80 ft wind-tunnel at speeds up to 300 mph. Later, by 1986 or 1987, the entire prop-fan/engine structure could be test-flown on a DC-9. The latter aircraft is believed to be the most appropriate since it represents the size and range of aircraft that might eventually employ prop-fans.

The entire programme, designed to last until about 1988, is intended to cover all the likely problems of prop-fans—noise, vibration, stress, aerodynamic efficiency, fuel economics and ease of maintenance.

In view of the timescale involved, it seems unlikely that any short to medium range airliner designs embodying prop-fans will emerge until the 1990's

When the programme is completed, and indeed even while it is under way, the information flowing from it will be made available, primarily to the U.S. industry which is financing the programme, but also to the world at large, for consideration.

In view of the time-scale involved, however, it seems unlikely that any short-to-medium range airliner designs embodying prop-fans will emerge until the 1990s, and so will not be in service until either close to the end of this century or early in the next.

By then, however, fuel efficiency will be even more significant than it is today, and environmental considerations will also have become more important to manufacturers and airline operators. A quiet, cheap prop-fan transport may therefore well emerge around that time.

COAL LIQUEFACTION

Coal to oil projects face uncertain future

BY ELAINE WILLIAMS

OIL from coal development ment projects throughout the world have faced setbacks over the past year or so. Most oil companies have begun to re-assess their involvement in non-oil activities especially those relating to coal.

The reason is the long time it will take for oil substitutes to compete effectively with petroleum. Estimates are that it will be the next century before processes such as coal liquefaction will be needed to produce oil products on a large scale.

In the UK development work has also suffered its setbacks though the National Coal Board has given the tentative go-ahead for its coal liquefaction process by spending £500,000 on the detailed design of a small pilot plant.

Britain, the U.S., West Germany and Japan are all looking at improved processes.

Few countries have an immediate need for coal liquefaction.

Over the next year Babcock Woodall-Duckham, part of Babcock International, will design a plant capable of producing 2.5 tonnes of oil products a year. But whether or not the plant will be built depends on the ability of the NCB to find a private industry sponsor. Otherwise it will not be supported by the Government or obtain EEC funds.

If the NCB is able to go ahead with the project it will cost about £25m over a four-year period. This is the cost of a scaled-down pilot plant. The original plant proposed more than four years ago would have been capable of producing 25 tons of liquid hydrocarbons a day and cost about £55m to build.

However, the NCB's plans were dealt a severe blow when British Petroleum decided to withdraw its financial support for larger coal liquefaction plant. The Government had stated that it would not provide some of the funds without a private backer as well.

The NCB is trying to develop a more efficient method of converting coal into oil products.

The process is based on hydrogenation — as are all the modern liquefication methods—where hydrogen chemically reacts with coal in the presence of a catalyst at high pressure and temperature. This results in liquid products. One of the key features in the NCB process is to remove all mineral matter before hydrogenation, which helps produce the more expensive premium products.

After passing through several stages, the resulting liquid is distilled to produced several oil products, such as Paphtha which can be reformed to produce a high-octane gasoline and a middle distillate that can be treated to become a diesel fuel.

Britain, the U.S., West Germany and Japan are all looking at improved processes. But few countries have an immediate need for coal liquefaction. For example, Brazil, with its plentiful coal but dire financial position, could save money by producing oil from coal rather than buying expensive exports; Australia, too, has vast, cheap reserves of coal, while Western Canada could supplement its existing oil by coal conversion. Only South Africa, with its lack of oil but plentiful, cheap coal, has carried out liquefaction on a wide scale using a low-yield process for many years because of its political isolation.

The lack of immediate demand prompted Exxon in the U.S. to reduce its activities in non-petroleum activities, though it still operates a 1 tonne a day pilot plant at Houston in Texas. It has also shelved plans to build a coal gasification plant in the Netherlands and it is reviewing all its other developments in non-oil areas.

However the NCB is more optimistic and is still in talks with Phillips Petroleum on possible funding for its scaled down pilot plan. Phillips has been involved from the beginning with the NCB on coal liquefaction.

The aim is to produce premium products such as liquid petroleum gas, non-leaded high octane gasoline, jet fuel and diesel fuel which the NCB believes it can with its process but may not be given the chance to prove it on a large

Energy

Sohio venture in solar cells

SOHIO, the U.S. oil company, and Energy Conversion Devices are to begin production of photovoltaic solar cells in October. Sovonics Solar Systems, the joint venture organisation operated by the two companies is to build two plants: one in Michigan, the other in Ohio.

The Michigan plant will manufacture the cells themselves while the Ohio factory will assemble these into modules for sale. These cells have uses as power sources in homes and industry, battery rechargers and irrigation pumps.

The cost of the two plants totals U.S.$6m though Sohio has invested more than U.$30m in the development of solar cell manufacturing technology through support of Energy Conversion Devices, ECD.

Energy Conversion Devices is already mass producing cells in Japan as part of a joint venture with Sharp. This factory—opened in February last year at a cost of U.S.$80m—uses ECD's continuous production method. This has taken Mr Stanford Ovshinsky, the controversial founder of ECD, more than 20 years to develop.

Electronics

Fast chips market will grow to $1bn

A NEW report from Mackintosh International indicates that the market for ultra-high speed integrated electronics circuits will exceed $US1bn by 1990.

Government funding has been the catalyst according to the report. The U.S. Department of Defences's funding of the VHSIC (very high speed integrated circuit) all-silicon program and the Japanese Ministry of International Trade and Industry's high speed computer programme have speeded development elsewhere: there are now 16 active development programmes, of which 11 are concerned with gallium arsenide, a relatively new high speed semiconductor.

Mackintosh conducted a worldwide interview programme in conjunction with Laboratoire d'Electronique et de Technologie de l'Informatique which embraced laboratories, computer makers and other potential users.

The report analyses the balance of advantage between the various competing technologies in fast circuits, looks at key applications and provides detailed market forecasts. More from Mackintosh at Luton on 0582 412716.

Memories

Intelligent disc drive

SHUGART IS introducing "intelligent" 5.25 inch Winchester disc drives in which controller and drive are integrated into one complete unit.

The 700S combines the abilities of the company's 1600 series of intelligent SCSI (small computer systems interface) controllers with half-height disc drives in a fully integrated product.

The combination, says Shugart, eliminates the time and cost of testing and integrating a separate drive and controller. Connection of one cable from computer to the 700S is all that is needed.

The unit handles many of the housekeeping functions normally handled by the host processor and controller, including formatting, data error correction, defect mapping and data buffering. A custom large scale integrated (LSI) chip set is used. More from P.O. Box 7, Woking, Surrey.

Correction

A recent article (December 9) on a new aerosol spray wrongly attributed to Mr David Roberts of the British Aerosol Manufacturers' Association remarks suggesting he was promoting the new system. We apologise to Mr Roberts for any embarrassment he may have been caused through this error.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday January 6 1984

Zinc prices go on rising as squeeze continues, Page 26

WALL STREET

Soaring close to the peaks

WALL STREET soared ahead again in record trading yesterday as further buying demand from the major investor institutions pushed the stock market close to the peak levels of last November. The market moved ahead strongly from the opening and by 2 pm the Dow Jones average had climbed by more than 16 points to within 3 points of the closing peak of 1,287.20 in November, *writes Terry Byland in New York.*

A pause for consolidation and some profit-taking then cut the gain in the market by about a half, but renewed buying towards the end of the session pushed the Dow Jones industrial average to a final level of 1,282.24, a net gain of 13.19. Turnover increased to an all-time record of 161m shares with gains leading losses by four to one.

The substantial demand for stocks by the U.S. pension funds and other major investors reflected optimistic views on interest rates and corporate profits. The market was spurred on by bullish comments from a number of leading commentators at the brokerage houses.

This month will also bring a flood of higher profits announcements from major corporations, a trend expected to continue throughout the rest of the year. Prominent in the market were stocks of the Wall Street securities traders themselves, which will reap substantial commission income from the heavy turnover in stocks.

Within half an hour of the market's opening, the DJ average was more than 10 points up. After one hour, the New York Stock Exchange prices tape was dragging 15 minutes behind the floor trading, as it struggled to report a record peak turnover of 48m shares – the previous peak total for the first hour was 46.6m in November 1982.

The market was helped by an easing of pressures in the credit markets where the federal funds rate dipped to 9⅝ per cent after the Federal Reserve made a further $1.5bn in customer repurchase arrangements.

AT&T issues, old and new, had another heavy session, the new stock adding $⅛ to $18. There was further demand for stock in Merrill Lynch, largest of the Wall Street securities houses. Merrill stock, strong earlier this week, jumped a further $1⅞ to $33½ with more than 500,000 shares changing hands.

Phibro Salomon, a major rival, added $⅜ to $32⅞, also on heavy turnover. Salomon Bros, the stock market arm of the firm, is a leading trader in IBM stock which recorded heavy turnover earlier in the week.

IBM themselves put on $⅜ to $124⅜ while Honeywell, its rival in mainframe computers, gained $1⅞ to $134¼. Other technology issues to advance included Teledyne, $1⅜ higher at $171⅞ and Computervision, $1¼ up at $42⅞.

Results from CSX, the railroad and energy group, pushed shares up by $⅝ to $25¼.

Chrysler, again a favourite with institutional buyers, jumped $⅝ to $29⅝. Other motor issues had a quieter session, but General Motors, at $78⅝, gained $¼.

Retail stocks made only a cautious response to the expected announcement of record Christmas sales. But there was heavy selling of Tandy Corporation whose Radio Shack computer selling outlets failed to bring in the expected sales totals because of bad weather in many areas of the U.S. Several brokers cut their ratings on Tandy Stocks, which fell $1 to $39⅜ on turnover of more than 1m shares. On Wednesday, Tandy fell also sharply in heavy turnover.

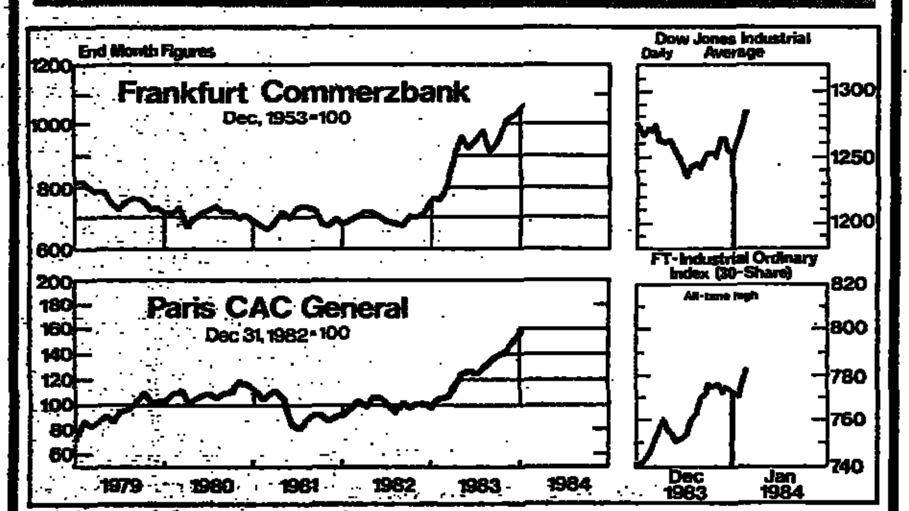
The easing of pressures in the credit market was encouraged by the Federal Reserve's moves to help the short end by buying $200m in bills on its customer accounts. However, market rates were slow to move down.

The three-month bill held unchanged at a discount of 8.96 per cent and the six-months at 9.12 per cent.

But, with the December weight of Treasury funding now absorbed, the market hopes that short-term rates will be able to ease downwards and the hope was encouraged by yesterday's dip in the federal funds rate.

At the longer end, yields held unchanged after the six basis point fall of the previous session. Some sources sounded more confident regarding the prospects for U.S. inflation in the coming 12 months.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 5	Previous	Year ago
NEW YORK			
DJ Industrials	1282.24	1269.05	1044.89
DJ Transport	609.47	602.21	443.69
DJ Utilities	134.20	133.09	121.59
S&P Composite	168.81	166.78	141.96
LONDON			
FT Ind Ord	783.60	770.30	615.10
FT-A All-share	477.44	470.89	392.24
FT-A 500	509.61	502.52	433.13
FT-A Ind	468.12	461.70	406.82
FT Gold mines	562.40	553.90	587.30
FT Govt secs	83.48	83.18	80.46
TOKYO			
Nikkei-Dow	9946.86	9927.11	8066.15
Tokyo SE	737.39	735.45	593.90
AUSTRALIA			
All Ord.	783.60	780.30	496.20
Metals & Mins.	585.10	580.00	420.50
AUSTRIA			
Credit Aktien	55.60	55.65	50.98
BELGIUM			
Belgian SE	137.66	135.28	100.66
CANADA			
Toronto Composite	2578.0	2555.62	1980.40
Montreal Industrials	449.49	444.17	337.73
Combined	431.99	427.61	328.07
DENMARK			
Copenhagen SE	n/a	218.21	101.90
FRANCE			
CAC Gen	161.50	157.30	99.60
Ind. Tendance	103.90	101.30	61.00
WEST GERMANY			
FAZ-Aktien	358.91	354.94	257.55
Commerzbank	1062.70	1052.40	777.60
HONG KONG			
Hang Seng	880.99	877.26	769.97
ITALY			
Banca Comm.	196.04	195.43	162.01
NETHERLANDS			
ANP-CBS Gen	167.10	162.70	103.10
ANP-CBS Ind	138.50	135.60	85.50
NORWAY			
Oslo SE	225.13	221.67	98.58
SINGAPORE			
Straits Times	1024.25	1015.69	712.29
SOUTH AFRICA			
Golds	846.00	841.90	981.40
Industrials	988.90	981.50	747.40
SPAIN			
Madrid SE	102.29	101.88	83.72
SWEDEN			
J & P	1492.47	1401.04	899.06
SWITZERLAND			
Swiss Bank Ind	388.00	384.80	298.90
WORLD	Jan 4	Prev	Yr ago
Capital Int'l	184.30	183.20	156.40

GOLD (per ounce)

	Jan 5	Prev
London	$376.625	$375.375
Frankfurt	$375.25	$374.50
Zürich	$375.25	$374.25
Paris (fixing)	$377.27	$376.97
Luxembourg (fixing)	$376.75	$376.75
New York (Jan)	$375.50	$377.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Jan 5	U.S. DOLLAR Previous	STERLING Jan 5	STERLING Previous
$	–	–	1.4125	1.4205
DM	2.799	2.7845	3.955	3.9575
Yen	232.85	233.30	329.25	332.0
FFr	8.54	8.4975	12.06	12.065
SwFr	2.234	2.228	3.1575	3.165
Guilder	3.139	3.1235	4.435	4.44
Lira	1695.5	1687.0	2394.0	2395.5
BFr	57.01	56.76	80.55	80.65
C$	1.24925	1.24925	1.7645	1.7735

INTEREST RATES

	Jan 5	Prev
Euro-currencies (offered rate)		
£	9⁷⁄₁₆	9⁹⁄₁₆
SwFr	3⅞	3¹⁵⁄₁₆
DM	5¹⁵⁄₁₆	6
FFr	13¾	13¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	10	10⅛
6-month U.S.$	10³⁄₁₆	10⅜
U.S. Fed Funds	9⁹⁄₁₆*	10
U.S. 3-month CDs	9.5	9.6
U.S. 3-month T-bills	8.92*	8.95

U.S BONDS

Treasury	Jan 5 Price	Jan 5 Yield	Prev Price	Prev Yield
10⅜ 1985	100⁶⁄₃₂	10.72	100 ⁷⁄₃₂	10.74
11⅜ 1991	100⁷⁄₃₂	11.70	100 ⁷⁄₃₂	11.70
11.75 1993	99²¹⁄₃₂	11.75	99²⁰⁄₃₂	11.75
12 2013	101¹⁹⁄₃₂	11.83	101¹⁹⁄₃₂	11.83
Corporate	Jan 5*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	93⅜	11.92	93⅜	11.92
3⅞ July 1990	68	10.90	68	10.90
8⅞ May 2000	75	12.34	75	12.34
Xerox				
10⅜ March 1993	92	12.10	92	12.10
Diamond Shamrock				
10⅜ May 1993	90⅜	12.40	90⅜	12.40
Federated Dept Stores				
10⅜ May 2013	86½	12.35	86½	12.45
Abbot Lab				
11.80 Feb 2013	95	12.45	95	12.45
Alcoa				
12½ Dec 2012	95⅜	12.80	95⅜	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	70–05	70–16	70–01	70–06
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.82	90.87	90.78	90.79
Certificates of Deposit (IMM) $1m points of 100%				
March	90.13	90.17	90.06	90.08
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.94	89.99	89.94	89.87
20-year Notional Gilt £50,000 32nds of 100%				
March	110–00	110–18	109–30	109–28

COMMODITIES

(London)	Jan. 5	Prev
Silver (spot fixing)	597.00	599.90p
Copper (cash)	£1009.00	£996.75
Coffee (Jan)	£1979.00	£1942.50
Oil (spot Arabian light)	$28.62	$28.55

LONDON

Demand for blue chips is revived

RECENT LETHARGY was forgotten in London yesterday as revived institutional support for blue chip industrials took the market up to record levels.

The Financial Times industrial ordinary index opened with a gain of 8.4 at 10am and continued the advance ending 13.3 higher at a best ever 783.6.

Government securities were also higher despite sterling's weakness, with investors more interested in the overnight performance of U.S. bonds and the surprise exhaustion of the medium-dated tap stock. Although slightly below the best in after hours trade, many high-coupon stocks closed with sizeable gains – in one case of ¾.

The equity market's advance was attributed to Wall Street's overnight buoyancy and the strength in other financial centres.

Particularly prominent among FT index constituents were two U.S. favourites, Glaxo which added 25p to 725p and ICI which advanced 12p to 644p.

But against the trend, P & O deferred fell 8p to 240p as hopes faded of another bid from Trafalgar House following its share exchange or cash alternative offer for Candecca.

South African golds were widely sold by Cape operators, but currency considerations and late New York demand enabled most issues to close higher. Australian stocks rallied after an uneasy start.

Details, Page 21; Share information service, Pages 22–23.

AUSTRALIA

WEAKER WORLD BULLION values for gold dampened Sydney's enthusiasm, but Wall Street's run-up enabled the result on the day to emerge firm: the All Ordinaries index put on 3.3 to 783.6.

Trading was brisk and two-way, with advances achieving only a four to three margin over declines. Of the mining leaders CRA jumped 16 cents to A$6.16 but EZ Industries slipped 10 cents to A$6.30, as did Poseidon in golds at A$4.60.

Oil and gas issues had a bad day: Santos relinquished an 8-cent firmer opening to close that much down at A$8.04. Hartogen encountered profit-taking to end 5 cents off at A$2.80.

Among strong banks ANZ led with a 10-cent gain at A$6.06, while brewer Tooth was a weak spot with a dip of 10 cents to A$5.

SOUTH AFRICA

GOLD SHARES slipped back from a firmer start in Johannesburg, in line with a weakening bullion price, although many issues still managed to end the day ahead.

Among the heavyweights, Buffels held on to a R2 advance at R67. Diamonds and platinums remained firm, with De Beers up 12 cents at R9.07 and Rustenburg Platinum 10 cents ahead at R13.

Industrials continued to draw on their recent strength.

CANADA

OPTIMISM over the outlook for North American interest rates took shares sharply higher in Toronto in heavy trading.

The gains were over the broad range of the market with all 14 of the major indices moving higher. The sharpest rises were among gold, metals and properties issues.

The same firmer trend was seen in Montreal where advances were also made by all the major stock indices.

EUROPE

Firm dollar proves no deterrent

THE UNUSUAL phenomenon developed yesterday of records being set by bourse indices at the same time as European currencies were falling to new low ground against the dollar.

The bad showing on the foreign exchanges – where the dollar soared against the D-Mark to reach a 10-year high and nudged upward to all-time peaks against the French franc, lira, peseta and Danish krona – was shrugged off by stock investors.

Although the outlook for U.S. interest rates remained blurred, Wall Street overnight had pointed the way upward for stocks with sufficient vigour to satisfy most operators in Europe.

In addition, the dollar's strength effectively offers European stocks to U.S. investors at a discount, and hopes of further buying from across the Atlantic could well have helped to sustain prices. With the futures markets suggesting a downward correction by the U.S. currency at some stage, fears of any adverse effects on industry were few and not to the fore.

For the seventh session in a row, **Amsterdam** set records: the ANP-CBS general index jumped 4.4 to 167.1. International issues came in strongly to a rally which for the most part has been led by domestic issues and fuelled by buying both from British and U.S. institutions and from smaller local investors.

KLM climbed Fl 8 to Fl 206.50 and Royal Dutch Fl 3.50 to Fl 146.80 although Unilever, Fl 7 ahead at one stage, later settled just Fl 3 higher on the day at Fl 275. It was not alone in having its gains trimmed, a move which came amid the first notes of caution about the pace of the advance.

Shipping group Nedlloyd put on Fl 5.50 at Fl 116.50 in the face of its missed dividend and forecast of a substantial 1983 loss. The optimism was attributed to its indication that the second half had emerged better than expected.

Domestic bonds held steady.

Profit-taking developed too in **Frankfurt** after the midsession daily calculations left the Commerzbank index 10.3 higher at a record 1,062.7 and its FAZ counterpart 3.97 better at a best 358.91.

Engineering issues this time were at the forefront, with Linde ahead DM 18 at DM 417 and Deutsche Babcock DM 3.30 up at DM 196.80. Hoechst led chemicals DM 6.10 higher at DM 191.10, approaching what is being seen as the critical DM 200 level. Bayer, forecasting difficulty in matching 1983 results, managed a DM 1.40 rise at DM 176.30.

Allianz, reacting further to the Eagle Star bid conclusion, shed DM 12 at DM 785, while Munich Re, its associate, slid DM 20 to DM 1,160.

A rising bond market helped the tone among stocks, and the Bundesbank was able to unload DM 76.3m in paper

Zurich resumed its upward trend, with foreigners as prominent buyers in an active market.

Of the banks UBS gained SwFr 25 to SwFr 3,645 while industrial advances included one of that amount for Alusuisse at SwFr 925 and SwFr 35 apiece for Oerlikon-Bührle at SwFr 1,425 and Ciba-Geigy at SwFr 2,375. Public sector bonds gained up to a quarter point.

Substantial **Paris** gains were achieved partly by the reinvestment of year-end interest income from bonds, and advances led declines 127 to 28 among domestic issues.

Among the outstanding performers, Moët-Hennessy soared FFr 102 to FFr 1,537, Bongrain FFr 85 to FFr 1,945 and La Redoute FFr 33 to FFr 1,075. Peugeot, acting to limit the damage caused to its accounts by Talbot's Poissy strike, rallied FFr 9 to FFr 217.

Foreign buying in **Brussels** was focused on chemicals, where UCB surged BFr 305 to BFr 4,895, and Tessenderlo BFr 95 to BFr 2,050. But the rally covered a broad front, with Groupe Bruxelles Lambert showing a BFr 155 gain at BFr 2,545 as local institutions moved in.

Banks, recently neglected in **Milan**, came to life with a L950 rise for Banca Commerciale at L27,150 and Credito Varesino L85 better at L3,920 on demand which remained strong in after-bourse dealings. Industrials turned mixed, however, and Fiat slipped L32 to L3,408.

An early **Stockholm** close produced quiet trading but good gains, while **Madrid** edged upward.

TOKYO

Afternoon brings some anxiety

A SIX-DAY winning streak sent the Nikkei-Dow average to yet another all-time high in active Tokyo trading yesterday, although concern over too fast a pace of price advances prompted hurried profit-taking late in the early morning gain, *writes Shigeo Nishiwaki of Jiji Press.*

The 225-issue Dow, which gained 45 points early in the morning session, finished 19.75 higher at 9,946.86. The strong spell under way since December 24, bridging a six-day New Year holiday, has added 262.69 points to the market average.

Trading was vigorous yesterday with 607.78m shares changing hands, compared with 30.186m in Wednesday's half-day session. Advances marginally outnumbered declines 346 to 332, with 125 issues unchanged.

A sharp rally on Wall Street overnight fuelled the early advances, led by Matsushita Electric Industrial and other blue-chip electricals before the profit-taking set in.

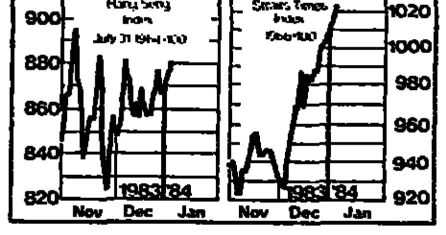
Matsushita, which had gained Y40 at one point, closed up Y20 at an all-time high of Y2,010. NEC rose Y20 to Y1,510, Sony Y40 to Y3,510, and Pioneer Electronic Y20 to Y3,700.

Low-priced large-capital steels also advanced on a wide front with Nippon Steel – volume leader on 43.95m shares – gaining Y4 to Y178, and Kawasaki Steel Y4 to Y187. Dai Nippon Pharmaceutical, reported likely to post a recurring profit increase for the third successive year, rose a sharp Y240 to Y2,870, pulling up other drug makers.

Speculative buying ahead of possible stock splits also continued, sending KDD up Y650 to Y15,700; Secom, the largest home and office security service concern, up Y300 to Y4,660; and Fanuc up Y570 to Y10,720.

Kanto Denka Kogyo, a metal cassette tape maker, posted a limit gain of Y101 to Y1,100 on massive buy orders following a string of announcements of video cassette recorder production plans by General Electric, RCA, Eastman Kodak and other makers.

Bond prices, however, turned weak as some smaller securities firms and city banks moved to take profits from the market's recent steadiness. The benchmark 7.5 per cent government bond, due in January 1993, closed at a yield of 7.385 per cent, up from Wednesday's record low of 7.355 per cent.



HONG KONG

A RE-ENTRY by overseas investors was identified as Hong Kong activity picked up markedly, but profit-takers made their presence felt almost immediately – particularly smaller local investors who, brokers there noted, have been moving in to sell after each small recent rise.

With the Hang Seng index a final 3.73 ahead at 880.99 – against a midsession 884.48 – Cheung Kong added 5 cents to HK$7.45 and Jardine Matheson 10 cents to HK$11.30, but China Light lost that amount at HK$11.90.

Evergo Industrial Enterprise, floated a year ago, jumped 20 cents to HK$3.20 on its higher than expected interim profits.

SINGAPORE

FORECASTS for good economic growth and improved corporate profits continued to buoy Singapore as an active day's trade took the Straits Times index to a further record at 1,024.25, up 8.56.

Although the established market leaders were accorded respectable gains in good volume, activity began to focus on a small batch of speculative issues. Promet, which on 2.07m shares traded, took the largest slice of the total 22.03m traded, surged 28 cents to S$4.44. Hotels group Faber Merlin, also active, picked up 8 cents at S$1.84.

Straits Trading and Fraser & Neave were each 5 cents better at a respective HK$6.15 and HK$8.75.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅝	8⅝	AAR	.44	2.6	21	139	17½	17¼	17¼	
52⅜	30½	ACF	1.40	2.9	227	168	47¼	47⅛	47⅜	+⅛
22	18¼	AMCA	n			2	21½	21½	21½	+¼
18⅞	14¼	AMF	.50	3.2		436	16	15⅝	15¾	−½
39⅞	18⅛	AMR Cp			17	11285	39⅛	38⅛	38½	+⅞
19¾	15⅜	AMR	pf2.18	11.		31	19⅜	18⅞	19⅛	+⅛
40¼	24⅞	AMR	pf2.13	5.3		1077	u40½	39½	40⅛	+1⅛
23⅞	20	ANR	pf2.12	10.		4	20½	20½	20½	
16¼	3⅛	APL			20	39	14⅛	13⅞	13⅞	−⅛
56¼	33⅜	ARA	2.05	4.0	11	751	51½	50⅝	51	−¼
79⅞	50¼	ASA	3a	5.4		545	55¾	54	55½	+1⅛
33¼	14	AVX	s .32	1.1	40	130	28⅝	28⅛	28½	+1½
53⅜	36⅛	AbtLab	1	2.1	18	2536	48¼	47½	48	+½
30⅛	23⅜	AccoW	n.60	2.1	20	1363	28	27½	28	+⅝
27½	17⅛	AcmeC	.40	1.6		54	25	24½	24⅝	−⅛
14⅜	7⅞	AcmeE	.32b	2.9	550	15	11	10⅞	11	
24⅞	8⅛	AdmDg	.04	.2	14	63	17⅞	17⅛	17⅞	+⅝
18⅝	15	AdaEx	1.73e	9.7		128	17⅞	17⅞	17¾	
19⅞	7⅛	AdmMl	.24	1.5	8	114	16⅛	16⅛	16⅛	+⅛
18⅝	8⅞	Advest	.12	.9	8	501	13⅛	11⅞	13	+1¼
36½	12⅛	AMD	s		60	8462	u36⅞	35	35½	+⅜
24⅝	13⅜	Aerflx	s		17	62	16⅞	15⅞	16⅞	+⅞
43½	32⅞	AetnLf	2.64	7.2	9	2298	36¾	35⅞	35⅞	+⅛
65	55¼	AetL	pf5.09e	8.8		32	57¾	57¼	57¾	+¼
40½	22½	Ahmns	1.20	3.5	8	1841	34	32¼	34	+2½
7⅞	3	Aileen				264	5⅜	4⅞	5⅛	+⅛
51	34	AirPrd	1	2.2	13	1410	45¼	44½	45¼	+½
30⅞	12⅝	AirbFrt	.60	2.1	23	126	28⅝	28¼	28¼	−⅛
2⅝	1¼	AlMoa	s		23	1367	2½	2⅛	2½	+⅛
33½	28⅛	AlaP	pfA3.92	13.		9	30¼	30	30⅛	

Continued on Page 19

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 20

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 18

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 23

[illegible]

CANADA

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

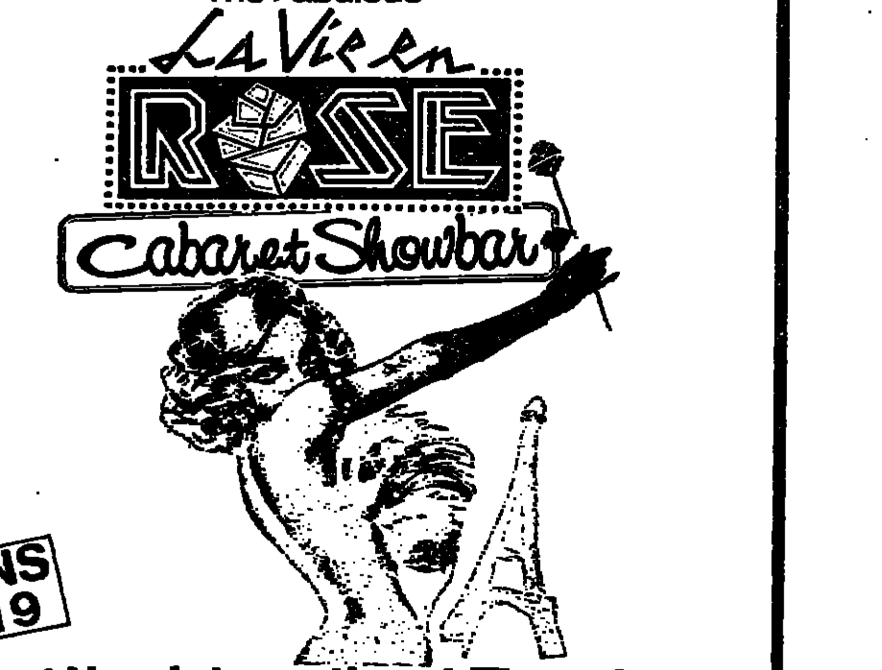
SINGAPORE

[illegible]

SOUTH AFRICA

	Price Rand	+ or −
Highveld Steel	6.15	+0.05
Nedbank	16.75	
OK Bazaars	21.5	
Protea Hldgs.	3.30	
Rembrant	23.5	+0.25
Rennies	14.25	
Rustenburg	15	+0.1
Sage Hldgs	7.35	+0.85
SA Brews	7.85	
Smith (C.G)	35.75	−0.5
Tongaat Huletts	12.5	+0.25
Unisec	5.6	

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights.



Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL / TORONTO

[illegible]

	Jan. 5	Jan. 4	Jan. 3	Jan. 2	1983/84 High	1983/84 Low
AUSTRALIA All Ord. (1/1/80)	[illegible]	[illegible]	782.7	(c)	783.6 (5/1/84)	487.8 (4/1/83)
Metals & Mins. (1/1/80)	[illegible]	[illegible]	587.4	(c)	614.2 (5/9)	411.6 (4/1/83)
AUSTRIA Credit Aktien (2/1/62)	[illegible]	[illegible]	56.06	56.21	58.8 (5/6)	48.46 (15/2)
BELGIUM Belgian SE (31/12/63)	[illegible]	[illegible]	155.61	155.44	157.66 (5/1/84)	100.50 (4/1/83)

[illegible]

**Saturday December 31: Japan Nikkei-Dow (c). TSE (c). Base values of all indices are 100 except Australia All Ordinary and Metals— 500, NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Apr. 22	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.546	3.788	366.3	11.54	3.185	4.263	2254.	1.897	76.46
U.S. Dollar	0.647	1.	2.451	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.227	49.48
Deutschemark	0.264	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japanese Yen 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc 10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira 1,000	0.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Dollar	0.527	0.815	1.997	193.1	[illegible]	1.679	2.246	1188.	1.	32.47
Belgian Franc 100	1.335	2.046	5.020	485.4	15.04	4.221	5.649	2887.	2.514	100.

LONDON STOCK EXCHANGE

MARKET REPORT

Revival of confidence in world financial markets lifts equities to record levels

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 12	Dec 22	Dec 23	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

Rejuvenated by Wall Street's overnight buoyancy and the strength of other overseas financial centres, London equity markets yesterday shook off their post-holiday lethargy and advanced impressively to new all-time peaks—indices to close at record highs included the Financial Times Industrial Ordinary share index and the broader-based FT-Actuaries All-Share index. Government securities also went higher despite sterling's continued plight against the dollar. Investors in this sector paid more heed to the overnight performance of U.S. bonds and yesterday's surprise exhaustion of the medium-dated tap stock.

Having been on the sidelines recently, blue chip industrials responded with a vengeance to revived institutional support. Although the demand was described as modest and highly selective it still produced double-figure gains in many leading shares. Equity sentiment was also given a boost by a leading broker's forecast that 1984 would be a fairly good year for the UK economy. U.S. favourites Glaxo and ICI were particularly prominent and overall, 24 of the 30 index constituents showed to good advantage.

The FT 30-share index opened with a gain of 8.4 at 10 am and progressively advanced to close 13.3 higher at a best-ever 783.6. One constituent to move sharply against the trend, however, was P & O Deferred which fell 8 to 240p as hopes faded of another bid, given Monopolies Commission clearance, from Trafalgar House following the latter's share exchange, or cash alternative, offer for Candecca.

Numerous features appeared among secondary issues with speculators again actively acquiring shares in companies already mentioned as New Year tips. Of the sectors, Breweries, Foods, Electricals and Engineerings were among the most popular, the last-mentioned attracting a welcome expansion in trade on recovery hopes.

Clearers revive

The early announcement that official supplies of the medium-dated tap stock, £60-paid Exchequer 10 per cent 1989, had run out caught the Gilt-edged market off-guard. Issued in mid-November, the stock, which becomes fully-paid on January 16 following the final call of £37 per cent, had aroused little enthusiasm from investors until yesterday. The Government broker then sold supplies for the first time, accepting a bid of £60½ and immediately announcing its exhaustion.

Encouraged by this development, and also by the overnight performance of U.S. bond values, Gilt-edged quotations went higher with the emphasis on longer-dated issues. Although slightly below the best in the after-hours' trade, many high-coupon stocks closed with sizable gains, ranging to ⅞ in one instance.

Having been overlooked in the latter part of 1983, clearing banks returned to favour yesterday. Barclays led the advance with a jump of 22 to 505p, while Lloyds followed at 543p, up 18. NatWest gained 12 to 655p, but Midland managed only a 3 improvement at 398p. Royal Bank of Scotland, a buoyant market recently on speculation aroused by Lloyds Bank increased stake of 21.3 per cent, moved up 4 to 216p. Among merchant banks, hopes of a U.S. bid continued to support Hill Samuel, up 7 more at 340p, while Brown Shipley reflected demand in a thin market with a gain of 20 to 355p. Hambros, on the other hand, declined 7 to 158p amid vague rumours of a line of shares overhanging the market.

Insurances contributed to the general buoyancy. Still bolstered by the dollar's current strength, Lloyds Brokers improved further. Sedgwick put on 5 at 246p. Against the trend, Allianz, which recently lost the bid battle for Eagle Star but achieved a substantial profit on its 30 per cent holding, fell 3¾ points to £201¾.

Brokers' bullish views of the sector prompted another encouraging session among leading Breweries. Allied-Lyons firmed 4 to record a two-day gain of 8 at 146p, while persistent bid rumours lifted Scottish and Newcastle 4 more to 108p. A favourable Press on the proposed takeover of the Gleneagles hotel chain boosted Arthur Bell 5 more to 138p and the 9¼ per cent Convertible 8 points to £170.

Buyers moved in for quality Building issues. Redland rising 6 to 262p and Tarmac firming 8 to 436p. Among Contracting and Construction issues, AMEC attracted revived support following a broker's recommendation and gained 7 to 193p. Costain firmed 4 to 236p and Taylor Woodrow rose 10 to 595p. McCarthy and Stone put on 20 to 365p in a restricted market, while J. Jarvis gained 10 more to 260p. Turriff, on the other hand, remained friendless and shed 5 to a 1983-84 low of 188p. Henderson were again in demand and firmed 10 for a three-day gain of 21 to 203p.

ICI, marked 8 higher at the outset following Wall Street's 16 point rise overnight, attracted fresh support at the enhanced level and finished 12 higher on the day at 644p. Significant movements among other Chemicals were few, but Allied Colloids found support and firmed 6 to 333p. Novo Industries B rose 6½ points for a two-day gain of 13½ to £211½.

Shoes in demand

Buyers returned for Shoe issues which often closed at new 1983-84 peaks. Strong and Fisher were more volatile than recently but after drifting down to 127p, encountered fresh support and rose to 136p for a net gain of 7.

Dealers reported a better tone among major Retailers. Revived interest lifted Burton 4 to 434p, while Vantona Viyella, widely regarded as one of the year's potential growth stocks, closed 8 better at 172p. Secondary counters featured with Waring and Gillow 5 dearer at 105p and Owen Owen 15 up at 173p. Steinberg advanced 7 to 140p, while a newsletter recommendation prompted a mark-up of 18 to 163p in relative newcomer French Connection.

The Electrical leaders moved up quite sharply in response to persistent small buying. Racal, due to report interim figures shortly, put on 10 to 220p and Plessey were similarly higher at 232p. Thorn EMI, ahead of the half-yearly results due next Friday, rose 13 to 668p. BICC gained 8 to 250p and GEC 5 to 180p. Oceonics continued to benefit from Press mention and recorded a further gain of 17 at 292p. Speculative demand lifted Ward and Goldstone 16 to 116p and Molynx 6 to 34p. USM stocks to move ahead included Micro Focus, 45 up at 655p, and Acorn Computer 15 to the good at 142p. Country buying left Mellerware 5 better at 110p.

Engineers enjoyed a lively trading session. Gains in the leaders were usually modest, but Hawker stood out with a rise of 12 to 368p. A reasonably good two-way trade developed in GKN, which closed a couple of pence dearer at 178p, while TI ended similarly higher at 168p. Elsewhere, renewed support lifted Babcock International 7 further to 167p. Birmid also attracted buyers at 53p, up 4, along with Delta, 3 better at 68p. Howden interim statement, put on 2 at 72½p and Laird Group revived with a rise of 9 to 105p. Smaller-priced issues again claimed a considerable amount of attention. Acrow A, the subject of Press mention recently, improved 1½ to 17½p.

Food Retailers remained popular, J. Sainsbury rising 7 to a 1983-84 peak of 475p and Tesco Group, reflecting a satisfactory firming 6 for a two-day gain of 12 to 179p. Associated Dairies, which has a half-time statement due next Tuesday, put on 4 more at 158p, while Dee Corporation, added another 5 to 440p. Elsewhere, United Biscuits attracted fresh support and put on 4 to 143p. Maynards firmed 5 to 285p following the Board's formal rejection of Mr Lewis E. Cartier's 250p per share partial bid for the company.

Leading Hotels and Caterers, neglected recently, met with small institutional interest. Trusthouse Forte, preliminary results due on January 19, firmed 5 to 192p, as did Ladbroke, to 212p.

Glaxo advance

Reflecting US influences, Glaxo put on 25 to 725p, while Unilever improved 30 more to 960p and the NV 1½ further to £37⅞. Among other miscellaneous industrial leaders, Beecham stood out with a rise of 10 to 310p and Boots improved 6 to 181p. Elsewhere in the sector, speculative demand was responsible for a number of above-average rises, with Avon Rubber particularly good at 147p, up 12. Cookson were a similar amount dearer at 262p. Late buying lifted Gripperods 13 to 153p. Reports of a broker's visit to the company left VG Instruments 9 to the good at 145p, while continued support left Foseco 10 higher at 162p. Other good spots included Kennedy Smale, 7 dearer at 85p. Grovebell, 4 up at 16½p, and Burco Dean, 3 better at 25p, the last-named following Press mention. In contrast, lack of support brought a fall of 10 to 65p in Airship Industries.

The Leisure sector continued to claim attention and displayed one of the day's outstanding firm features in Medminster. The latter attracted speculative buying and surged to 115p before settling a net 22 up at 110p. Trident TV A firmed 3 more to 132p, while Pleasurama A met with revived demand ahead of the preliminary results and put on 14 to 322p. Buyers returned for Aspinall Holdings, up 7 at 145p, and Barr and Wallace Arnold Trust A, which firmed 5 to 97p.

Reliant Motor, dealt in the Unlisted Securities Market, provided a strong feature and rose to 35p before settling a net 13 dearer at 33p on the announcement that Mintinex has acquired a 9 per cent stake; the latter reputedly purchased a sizeable holding recently in Highgate and Job. Group Lotus were favoured again and advanced 2 more to 81p with the aid of "call" option business. Among Components, Solex UK continued to benefit from publicity given to the company's proposed moves into the electronic fuel injection field, gaining 5 for a two-day gain of 11 to 98p. The Chinese deal lifted Armstrong Equipment another 1½ to 27½p, while news that Foreign and Colonial Investment Trust now controls just over 8 per cent of the equity left Spura a couple of pence to the good at 37p. Press-inspired rumours of a possible consortium bid prompted revived speculative demand for Caffyns, which closed 8 better at 138p.

Newspapers joined in the general advance with Associated, scheduled to announce preliminary figures next Thursday, 8 better at 406p, and United 15 dearer at a 1983-84 high of 310p. International Thomson improved 25 at 760p following the increased estimate of oil reserves in block 15/17 of the North Sea Piper field.

Properties attracted fresh institutional support and closed widespread gains, some of which were exaggerated by stock shortage. Land Securities moved to a 1983-1984 peak of 285p, up 9, while MEPC rose 6 to 283p. British Land and Greycoat City Offices put on 4 apiece to 112p and 158p respectively.

The buoyant overnight performance of the domestic market stimulated further support of Far-Eastern Investment Trusts. Financials featured Silvermines which advanced 18 to 145p in belated response to the recent strength of Irish exploration issues.

Shell up again

Recently-buoyant oils provided a host of firm features. Shell raced up to 603p before closing at net 10 higher at 595p for a three-day gain of 27 owing to renewed American buying and optimism over the recent change of Government in Nigeria. Royal Dutch put on a point to a year's high of £33¼ following further heavy buying on the Amsterdam bourse. BP touched 410p prior to ending the day 7 firmer at 407p, while Tricentrol added a like amount at 190p.

Candecca highlighted second-line oils, jumping 12 to 197p after a 1983-84 high of 205p in the wake of the agreed bid from Trafalgar House. Bristol Oil and Minerals, which holds around 22 per cent of Candecca's equity, put on 3 to 51p. Candecca's partners in the Humbly Grove oil discovery in Hampshire also attracted strong support, especially Marinex, which advanced 5 to 87p. Carless Capel closed a penny cheaper on balance at 197p, after 203p. Invent Energy jumped 24 to 307p on speculative interest, while the farm-in deal with Bristol Oil prompted further support for International Petroleum, 30 up at a 1983-84 high of 330p. Irish exploration issues remained volatile and were featured by persistent demand for Eglington, which closed a net 10 to the good at 375p.

Overseas Traders continued to make headway and Inchcape, additionally underpinned by Press comment highlighting recent and possible further boardroom changes, rose to 301p before settling a net 7 better at 295p.

Speculation that the tea price could reach 350p per kilo before the onset of any appreciable profit-taking resulted in further substantial gains among selected Plantations. McLeod Russel were active and advanced 14 to 218p. Singlo, which has interests in Malawi and has been virtually ignored in the recent run-up, improved 4 to 53½p.

Golds firm

Renewed weakness in sterling against the dollar provided a cushion for mining markets. South African Golds were persistently sold by Cape operators but currency considerations and late interest from New York enabled the majority of issues to close with net gains. The Gold Mines index rose 8.5 to 562.4 while bullion was finally quoted at $376.625 an ounce, a net gain of $1.25.

Leading Golds were highlighted by Winkelhaak, finally ½ ahead at £30¼, and President Brand, which rose a like amount to £24¼.

In the cheaper-priced issues gains of 26 were common to Welkom and Blyvoor at 796p and 884p respectively.

Financials were highlighted by good gains throughout the London issues which responded to the strength of zinc prices on the London Metal Exchange. Copper values also made good progress. Rio Tinto-Zinc, London's premier mining issue advanced 10 to 603p, while Charter Consolidated rose 5 to 220p.

In South Africans, De Beers put on 5 to 515p; the 1983 diamond sales figure is expected next Tuesday or Wednesday.

Australian stocks got off to an uneasy start but rallied owing to the weakness of sterling and a strong opening performance on Wall Street yesterday. Among the leaders CRA were outstanding and surged 11 to a 1983-84 high of 388p, boosted by firmer base-metal prices.

Pancontinental dropped 4 to 70p following news of the joint venture deal with BHP in the Queensland coal fields, while rumours of an iminent Press tip prompted speculative buying of Kia-Ora, 1½ up at 11½p, and Rundle twins Central Pacific, 3 firmer at 23p, and Southern Pacific, 1½ to the good at 11½p.

Revived institutional support for London equities spilled over to Traded Options which attracted 3,345 contracts. Commercial Union positions were particularly active with 666 calls transacted, while BP and Land Securities recorded 513 and 186 calls respectively, the latter's January 280's rising 6 to 11p. Other notable premium gains included Barclays February 500 calls, 8 up at 22p and Shell January 600 calls which doubled to 10p.

FINANCIAL TIMES STOCK INDICES

	Jan. 5	Jan. 4	Jan. 3	Dec. 30	Dec. 29	Dec. 28	year ago
Government Secs ...	83.48	83.18	83.10	83.12	83.15	83.37	80.46
Fixed Interest ...	86.71	86.46	86.35	86.41	86.28	86.35	81.91
Industrial Ord. ...	783.6	770.3	771.8	775.7	772.5	775.6	615.1
Gold Mines ...	562.4	563.9	578.6	575.7	580.9	594.0	687.3
Ord. Div. Yield ...	4.53	4.61	4.61	4.58	4.59	4.58	4.85
Earnings, Yld.% (full)	9.27	9.43	9.42	9.37	9.38	9.36	10.44
P/E Ratio (net) (*) ...	13.15	12.92	12.95	13.01	12.99	13.03	11.49
Total bargains ...	20,237	17,725	15,769	17,014	14,487	16,604	21,747
Equity turnover £m.	—	205.63	130.83	156.31	228.00	112.65	314.26
Equity bargains ...	—	17,863	15,140	16,418	12,541	10,505	21,164
Shares traded (ml) ...	—	136.3	83.9	100.2	110.1	80.7	180.6

10 am 778.7. 11 am 778.9. Noon 780.9. 1 pm 781.4. 2 pm 781.6. 3 pm 782.0.

Basis 100 Govt. Secs. 8/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest index 01-246 8026.

*Nil = 12.36.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs ...	83.70 (11/11/83)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int ...	86.71 (5/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord. ...	783.6 (5/1/84)	598.4 (12/1/83)	783.6 (5/1/84)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 4	Jan. 3
—Daily Gilt Edged Bargains ...	147.4	121.4
Equities Bargains	115.7	98.1
Equities Value ...	415.6	264.4
5-day Avrge Gilt-Edged Bargains ...	115.2	104.3
Equities Bargains ...	93.9	83.9
Equities Value ...	536.9	307.7

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (309)

BRITISH FUNDS (14)
INT BANK & O'SEAS GOVT STLG ISSUES (3)
CORPORATION LOANS (7)
LOANS (1)
FOREIGN BONDS (5)
AMERICANS (13)
CANADIANS (3)
BANKS (6)
BREWERS (1)
BUILDINGS (2)
CHEMICALS (5)
STORES (8)
ELECTRICALS (12)
ENGINEERING (15)
FOODS (6)
INDUSTRIALS (33)
INSURANCE (8)
LEISURE (5)
MOTORS (7)
NEWSPAPERS (3)
PAPER (2)
PROPERTY (31)
SHOES (4)
TEXTILES (5)
TRUSTS (93)
OILS (5)
OVERSEAS TRADERS (4)
PLANTATIONS (4)
MINES (4)

NEW LOWS (8)

BANKS (1)
Bank Leumi Le-Israel
BUILDINGS (1)
Turriff
ELECTRICALS (1)
Imtec
INDUSTRIALS (3)
Airship Inds Mainmet
Bestwood
PAPER (1)
Promotions House
OILS (1)
Jebsens Drilling

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or –	Net dividend	Times covered	Gross yield	P/E ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or –
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or –
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters † Effective issue price after scrip. † Formerly dealt in under special rule. ✱ Unlisted Securities Market. C Canadian.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service.

Money was given for the call of Hampton Trust, Low and Bonar, Bowater, Royal Bank of Scotland, Intervision, John Brown, Scottish and Newcastle, James Finlay, James Wilkes, Horizon Travel, Eastern Produce, Riley Leisure, GEC, Bellair, Group Lotus, Caffyns, Youghal Carpets, Sterling Guarantee Trust, W. E. Norton, Aurora, Samantha, Lonrho, Bryant and Amco Industrial.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Avon Rubber ...	147	+12
Bristol Oil & Mins...	51	+ 3
BP ...	407	+ 7
Candecca Resources...	197	+12
Cookson ...	262	+12
ICI ...	644	+12
P & O Defd ...	240	− 8
Plessey ...	232	+10
Racal Elects ...	220	+10
Shell Transport ...	595	+10
Silvermines ...	145	+18
Strong and Fisher...	136	+ 7

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds ...	86	1	15
Corpns. Dom. and Foreign Bonds ...	44	4	30
Industrials ...	376	200	825
Financial and Props.	277	43	200
Oils ...	76	15	27
Plantations ...	8	1	11
Mines ...	41	24	103
Others ...	99	18	64
Totals ...	1,007	306	1,275

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Strong & Fisher	23	129	+22
Unilever ...	16	930	+25
Glaxo ...	15	700	—
Inchcape ...	15	288	+13
Royal Insur. ...	15	495	+13
Shell Trans. ...	14	585	+10
Lex Service ...	13	361	−14
London Brick...	13	128	− 6
Scot. and Newcastle Brews.	13	104	+ 4½
Beecham ...	12	300	+ 2
Bowater ...	12	258	− 4
Candecca Res.	12	185	+ 5
Chloride ...	12	30½	+ 4½
Ingram (H.) ...	12	340	−10

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Jan 5 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Jan 4 Index No.	Tues Jan 3 Index No.	Fri Dec 30 Index No.	Thur Dec 29 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (205)	472.07	+1.9	8.93	3.76	14.50	463.44	465.62	466.79	464.39	438.47
2	Building Materials (25)	452.37	+1.1	10.78	4.64	11.56	447.42	446.94	447.25	446.82	419.68
3	Contracting, Construction (32)	689.06	+1.7	13.70	5.18	9.11	677.32	680.70	681.01	678.19	748.87
4	Electricals (15)	1676.60	+1.5	7.26	4.82	17.53	1651.79	1651.76	1646.65	1623.68	1721.70
5	Electronics (24)	1660.45	+2.7	8.49	2.22	15.47	1617.13	1637.88	1646.65	0.00	0.00
6	Mechanical Engineering (64)	217.97	+1.6	10.82	5.21	11.47	214.47	212.98	212.79	213.28	196.51
8	Metals and Metal Forming (9)	180.76	+1.3	9.11	6.49	14.31	178.51	177.89	178.04	177.73	156.19
9	Motors (17)	124.64	+1.4	1.41	4.35	—	122.98	124.26	123.86	123.39	78.50
10	Other Industrial Materials (19)	605.31	+1.1	5.90	3.68	25.04	598.43	600.81	604.88	609.59	369.09
21	CONSUMER GROUP (196)	468.87	+1.3	10.21	4.28	11.99	462.89	461.40	462.00	459.18	414.05
22	Brewers and Distillers (23)	454.17	+1.1	12.96	5.28	9.62	449.18	441.78	439.89	437.85	458.08
25	Food Manufacturing (22)	380.75	+1.9	12.20	5.36	9.58	373.83	369.48	367.62	367.57	333.83
26	Food Retailing (13)	1107.93	+1.7	7.29	2.55	17.60	1089.24	1074.95	1073.72	1069.05	880.82
27	Health and Household Products (9)	725.55	+2.7	6.49	3.05	18.12	706.26	707.48	711.67	717.08	708.21
29	Leisure (23)	627.19	+1.6	8.13	4.35	15.05	617.13	615.87	615.57	618.54	474.16
32	Newspapers, Publishing (15)	1113.90	+1.6	7.80	4.29	15.40	1096.56	1087.88	1087.65	1082.29	633.70
33	Packaging and Paper (14)	218.27	+0.6	10.94	4.63	11.37	216.91	218.20	219.14	217.63	144.00
34	Stores (47)	427.05	+0.6	8.00	3.62	16.98	424.52	426.56	428.29	426.04	385.31
35	Textiles (19)	250.50	+1.7	12.06	4.71	9.59	246.26	247.66	249.17	248.75	178.32
36	Tobaccos (3)	508.50	−0.5	19.60	6.29	5.71	510.86	514.82	518.79	494.20	462.13
39	Other Consumer (8)	459.48	+0.2	10.29	5.58	—	458.43	459.18	457.46	449.54	344.49
41	OTHER GROUPS (83)	423.51	+0.8	7.98	4.16	15.78	420.28	422.64	422.48	422.13	296.78
42	Chemicals (16)	632.61	+1.3	6.99	4.04	18.95	624.59	629.75	630.15	629.78	392.72
44	Office Equipment (5)	113.90	+3.7	9.17	5.03	13.59	109.92	109.64	109.30	109.11	88.73
45	Shipping and Transport (14)	799.00	−0.7	7.94	5.08	17.01	804.86	809.40	808.21	810.00	530.13
46	Miscellaneous (48)	536.72	+0.3	8.87	4.80	13.50	533.90	535.88	535.42	534.39	420.54
49	INDUSTRIAL GROUP (484)	468.12	+1.4	9.44	4.09	13.23	461.70	462.05	462.71	460.42	406.82
51	Oils (16)	963.99	+1.5	11.57	6.14	10.50	949.53	942.54	945.56	941.69	724.84
59	500 SHARE INDEX	509.61	+1.4	9.78	4.43	12.70	502.52	502.24	503.10	500.68	433.13
61	FINANCIAL GROUP (124)	377.70	+1.3	—	5.12	—	372.71	369.71	369.40	370.09	273.82
62	Banks (6)	384.49	+2.6	22.34	6.66	4.86	374.59	370.82	374.23	373.48	276.25
63	Discount Houses (8)	370.06	−1.2	—	7.37	—	374.39	373.85	374.76	364.53	294.37
65	Insurance (Life) (9)	519.47	+0.5	—	4.33	—	516.64	517.12	507.20	508.49	356.56
66	Insurance (Composite) (10)	251.30	+1.0	—	6.11	—	248.90	247.22	248.45	251.68	183.63
67	Insurance Brokers (7)	678.50	+1.1	10.08	4.34	13.58	671.11	655.33	645.65	642.25	517.11
68	Merchant Banks (12)	243.36	+0.1	—	3.90	—	243.20	243.67	244.45	241.39	156.25
69	Property (54)	557.82	+1.8	5.43	3.50	24.65	548.10	539.45	537.54	538.02	419.78
70	Other Financial (18)	261.29	+0.4	10.16	5.20	11.81	260.19	259.64	260.32	261.54	187.87
71	Investment Trusts (107)	489.50	+1.3	—	3.65	—	483.32	482.79	482.46	481.13	369.91
81	Mining Finance (4)	281.63	+1.4	9.37	5.18	13.11	277.81	280.63	280.17	279.42	247.09
91	Overseas Traders (15)	516.85	+1.5	7.41	7.25	19.24	509.12	503.38	500.83	501.43	398.45
99	ALL-SHARE INDEX (750)	477.44	+1.4	—	4.55	—	470.89	470.03	470.50	468.89	392.24

FIXED INTEREST

	PRICE INDICES	Thur Jan 5	Day's change %	Wed Jan 4	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.30	+0.18	118.09	—	0.21
2	5-15 years	132.88	+0.03	132.52	—	0.00
3	Over 15 years	142.74	+0.56	141.91	—	0.00
4	Irredeemables	152.22	+0.61	151.29	—	0.00
5	All Stocks	131.32	+0.38	130.82	—	0.00
6	Debentures and Loans	108.04	+0.19	107.84	—	0.00
7	Preference	80.73	+0.27	80.52	—	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Thur Jan 5	Wed Jan 4	Year ago (approx)
	British Government				
1	Low	5 years	9.31	9.36	8.71
2	Coupons	15 years	9.92	9.99	10.11
3		25 years	9.67	9.73	10.43
4	Medium	5 years	10.85	10.90	11.41
5	Coupons	15 years	10.47	10.55	11.32
6		25 years	9.95	10.00	10.83
7	High	5 years	11.01	11.07	11.49
8	Coupons	15 years	10.67	10.74	11.53
9		25 years	10.03	10.10	11.03
10	Irredeemables†		9.65	9.71	10.39
11	Debs & Loans	5 years	11.50	11.52	12.45
12		15 years	11.54	11.56	12.36
13		25 years	11.55	11.60	12.96
14	Preference†		12.27	12.30	13.06

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 43,915

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*410)	360	55	—	—	3	—	—
	390	26	35	45	4	14	20
	[illegible]						

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
LASMO (*290)	240	63	70	77	4	8	14
	260	45	52	60	8	16	23
	280	29	40	46	17	25	30
	[illegible]						

Jan. 5. Total Contracts 3,345. Calls 2,491. Puts 854.

* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

LOANS—continued

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's	P/E
385	228	Johnston Grp. 10p.	235	......	6.0	5.0	3.6	7.9
102	47	Jourdan (T.) 10p.	94	......	5.6	1.2	8.5	13.0
64	39	Kalamazoo 10p	39	-1	3.33	1.8	12.2	6.6
60	35	Kean & Scott Hldgs	51	......	1.0	—	2.0	—
23	9½	Keep Trust 5p...	13¼	+¼	0.15	—	‡	—
210	140	Kelsey Inds.......	165xd	......	8.0	1.7	6.9	11.4
130	58	Kennedy Smale	85	+7	◆	—	—	—
155	130	Kershaw (A.) 5p..	155	......	‡15.0	0.6	‡	(33.9)
80	39	Kleen-E-Ze Hldgs.	70	......	4.5	0.5	9.2	—
101	52	L.C.P. Hlds	88	+1	3.6	1.5	5.8	(3.6)
32	14	LDH Group........	27	......	—	—	—	◆
132	93	L.R.C. Int. 10p.	109	+1	‡2.95	2.6	3.9	12.1
38	17	Lamont Hldgs. 10p	38	......	†1.3	1.8	4.9	14.9
47	26	Lawtex	47	+2	—	—	—	◆
480	345	Lep Group 10p.	450xd	......	17.5	0.3	5.6	62.4
49	22	Lilleshall 10p...	46	......	d2.0	—	3.1	—
350	23	Lon. & Liv. 10p	24	......	h2.75	3.1	16.4	2.2
135	97	London & Mid'd.	125xd	+1	7.75	1.1	8.9	14.0
50	20	Do. Defd........	45	......	—	—	—	5.6
110½	58	Lon. & Nthn. Grp.	70	......	F4.2	2.0	8.6	9.9
40	16½	Lon. Priv. Health	23	+½	—	—	—	11.5
65	46	Longton Inds. ..	59	......	1.0	—	2.4	—
144	70	Low & Bonar 50p	138	......	†5.0	2.8	5.2	(7.8)
48	32½	MCD Group.......	45	......	u1.0	2.2	3.2	20.5
		for MMT Computing see Electricals						
29	16	M.Y. Dart. 10p.	27	......	20.25	—	1.3	—

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c.........	18½	+½	—	—	—
52	32	Allstate Expln NL	34	......	—	—	—
40	9	♥Australis Mng. NL	26	+1	—	—	—
25	11	Balmoral Resources	16	+1	—	—	—
60	32	♥Black Hill Mins.	33	+1	—	—	—
87	51	♥Bond Corp........	84	+1	Q10c	0.7	7.6

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 23

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

Capital Life Assurance
24 Ludgate Hill, EC4P 4BD.

Key Inv Fd	—	123.84	....	—
PackmLrmvFd	—	123.4	....	—
Equity Fd	105.91	111.48	....	—
Fxd Int Fd	103.29	108.73	....	—
Property Fd	99.08	104.29	....	—
Cash Fd	99.08	104.29	....	—
Mnd Fd	106.63	112.24	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

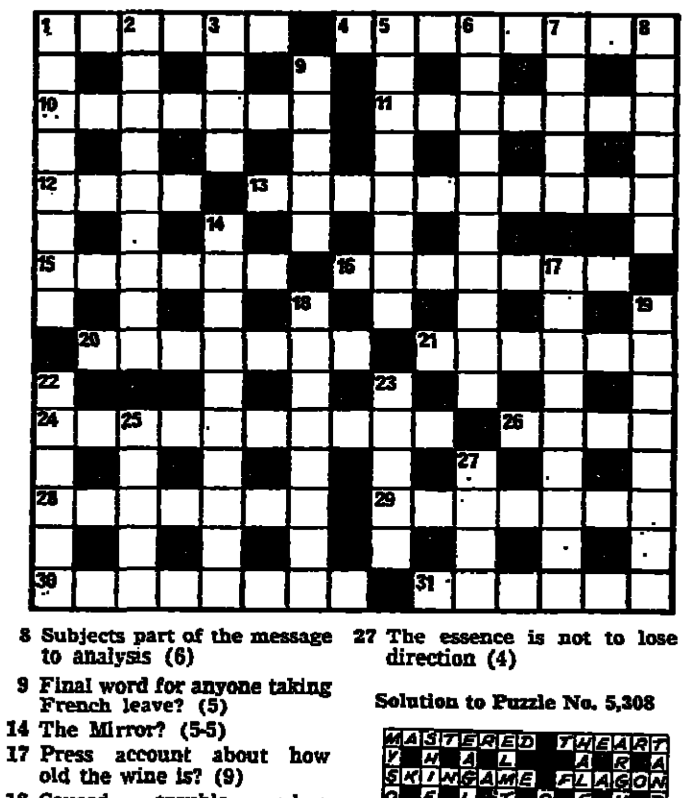
VarAnnAcDc31	—	151.35	....	—
VarAnnAnnJn6	—	33.49	....	—
Prime Series—Life				
Managed	130.8	137.7	+0.6	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE NO. 5,309



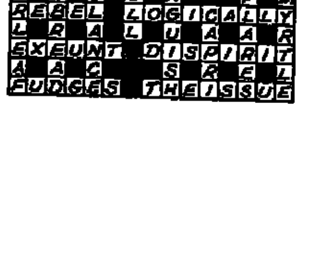
ACROSS

1 Sent off protectively wrapped (6)
4 Sold more cheaply in a low joint? (8)
10 Stop in mid-air? (7)
11 Repel it somehow—it's a snake (7)
12 The struggle to lose way in bad weather (4)
13 Not the best support level (6-4)
15 Greeks found guidance here or in Norfolk (6)
16 Match part of the fittings (7)
20 Fix a time for the mission (7)
21 There's no looking back after success with entry-form (6)
24 Position of residence (10)
26 Not an amateur with a boat (4)
28 Punish favourite dog (7)
29 Stay in longer than the others (7)
30 Drive on A1 to bridge (8)
31 Leafy part of New York (6)

DOWN

1 Travel in dog-sledge with space to spring up quickly (8)
2 Bring about a form of sit-in next to entrance (9)
3 Sheep-run containing water (4)
5 Might get cross in a drugged state (8)
6 Campaign dispatch (10)
7 At home, surrounded by tea cups (5)
8 Subjects part of the message to analysis (6)
9 Final word for anyone taking French leave? (5)
14 The Mirror? (5-5)
17 Press account about how old the wine is? (9)
18 Caused trouble when disturbed (8)
19 New railway section of the Army (8)
22 Removed when cleaning round pony and trap (6)
23 Not out to steal back the element (5)
25 Firm in the South making money (5)
27 The essence is not to lose direction (4)

Solution to Puzzle No. 5,308



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		240.45	.....	—
Managed Inv. Fd.	162.44	170.99	.....	—
Property Fd.	151.83	159.83	.....	—
Fixed Interest Fd.	148.31	156.12	.....	—
Cash Fd.	136.98	140.19	.....	—
Income Fd.	178.38	187.50	.....	—
Extra Income Fd.	165.72	174.45	.....	—
Worldwide Growth Fd.	228.64	240.68	.....	—
Balanced Fd.	170.78	179.77	.....	—
Smlr Co's & Recy. Fd	205.38	216.19	.....	—
Inc Technology Fd.	267.38	281.46	.....	—
Nth. Amer. & Gen. Fd.	165.50	174.22	.....	—
Energy Int. Fd.	103.27	108.71	.....	—
Pacific Basin Fund	142.93	150.46	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd., Haywards Heath. 0444 414111

Managed	115.3	121.4	.....	—
Property	118.3	124.6	.....	—
Equity	120.1	126.4	.....	—
International	127.5	134.2	.....	—
Fixed Interest	104.1	109.6	.....	—
Deposit	100.3	105.6	.....	—
Managed Pen. Cap.	115.4	121.5	.....	—
Property Pens. Cap.	119.8	126.1	.....	—
Equity Pens. Cap.	115.0	121.1	.....	—
Intnl. Pens. Cap.	131.3	138.2	.....	—
Fixed Int. Pens. Cap.	101.0	106.3	.....	—
Deposit Pens. Cap.	97.8	102.9	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Dec 29	97.4		.....	—
Rtmt. Fed. Nov 6	255.4		.....	—
Managed Pen Fund	187.7	197.5	.....	—
Property Pen Fund	115.5	121.6	.....	—
Index Lnkd Pen Fund	112.0	117.9	.....	—
Managed	126.0	132.7	+1.1	—
Property	104.6	110.2	.....	—
Gilt and Fixed Interest	109.1	114.9	+0.5	—
Index-Linked	97.4	102.6	+0.1	—
Equity	125.3	131.9	+1.5	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	126.9	133.6	+0.3	—
GT Pln High Yld Fnd	126.2	132.9	.....	—
GT Plan Far East Fnd	126.1	132.8	.....	—
GT Plan N. Am Fd.	141.2	148.7	.....	—
GT Pln UK&G.E. Fnd	142.8	150.4	.....	—
GT Pln Wrldwde Fnd.	144.5	152.2	.....	—
GT Pension Bnd Fnd.	139.2	146.6	+0.5	—
GT Pen High Yld Fd	143.8	151.4	.....	—
GT Pen Far East Fd	155.4	163.6	.....	—
GT Pen N. Am. Fd.	207.0	217.9	.....	—
GT Pen UK & G.E. Fd	164.8	173.5	.....	—
GT Pen Worldwide Fd	155.0	163.2	.....	—

Prices for Accum. Units only

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		257.0	.....	—
Portfolio Fd. Init.		210.5	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	280.2	295.3	+0.6	—
Money Fd.	156.7	164.9	+0.1	—
Equity Fd.	237.5	250.3	+2.9	—
Fixed Int. Fd.	119.6	126.0	-0.4	—
Property Fd.	174.2	183.6	.....	—
Managed Pen. Fd.	262.2	276.3	.....	—
Equity Pension Fd.	184.4	194.3	.....	—
Fixed Int. Pen. Fd.	167.5	176.5	.....	—
High Yield Pen. Fd.	165.3	174.2	.....	—
Money Pension Fd.	130.0	136.8	.....	—
Property Pension Fd.	128.5	135.4	.....	—

Gresham/Fraulington

American & Gen. Fd.	254.5	268.2	+0.7	—
Income Fd.	193.3	203.7	.....	—

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd.
10, St. George's St., Douglas, IoM 0624 25015

Wren Com. Fund	20.0	20.8	.....	—
Chinese Fund	65.2	67.9	.....	—
Precious Metal Fund	114.9	119.7	.....	—
Vanguard Cmdy Fd.	33.8	34.7	.....	—
Financial Futures Fd.	60.1	62.5	.....	—
Wren Intl Fnd.*	$0.431	0.449	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ‡ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Zinc prices still rising as squeeze continues

BY JOHN EDWARDS, COMMODITIES EDITOR

THE RISE in zinc values on the London Metal Exchange accelerated yesterday, as the "squeeze" on supplies immediately available to the market tightened.

The cash price at one stage moved above the three months quotation reaching £677 at one stage before closing in the afternoon £21.5 up at £666 a tonne.

The three months quotation traded at a peak of £676 and subsequently eased to close £18 higher than the previous day at £666.5 before moving ahead again in after hours trading.

Zinc values, which are at the highest levels for 9½ years, have now advanced for seven trading days in succession with the cash price gaining nearly £63 since December 23.

A recent feature of the market has been a developing shortage of nearby supplies reflecting the world scarcity of zinc, especially special high grade.

Although LME warehouse holdings of zinc at 97,600 tonnes are relatively high, there are rumours of large shipments out and stocks held by consumers and smelters are at historically low levels.

Speculative buying interest has capitalised on the strong fundamental supply-demand situation of improving demand coming at a time when previous production cutbacks have reduced supplies.

Some traders feel that in view of the big speculative involvement, the market could now be vulnerable to a technical setback as profit-taking emerges. There are also fears that long-term consumption of zinc could be hit again if prices rise too fast and furiously, although producers are known to be keen to lift their official European producer quotation above $1,000 from the present level of $980.

Aluminium, copper and lead prices also advanced yesterday encouraged by zinc and the weaker trend in sterling against the dollar. Cash aluminium gained £9.25 to £1112.75 a tonne, high grade copper £10.25 to £1,009, and lead £5.25 to £292.5.

There was heavy trading activity in copper, with a turnover of 80,500 tonnes inflated by a large borrowing (buying cash and selling an equivalent amount for forward delivery simultaneously) order that helped push prices higher.

It was emphasised, however, that zinc and aluminium are basically sustaining the other markets, so they could quickly decline if zinc in particular falls back.

Sugar supply in line with consumption estimates

BY RICHARD MOONEY

PROSPECTS FOR a sizeable deficit in the world sugar crop this season have completely disappeared, according to London merchants E. D. and F. Man. In its latest market report, the company puts 1983/84 production at 93.521m tonnes, roughly in line with its consumption estimate.

Adverse weather conditions in many growing areas early last year led to predictions of a crop shortfall of up to 3m tonnes which prompted a sharp rise in prices.

Crops made a surprisingly good recovery, however, helped by ideal autumn conditions, and prices lost most of their gains. The London daily raws price rose £4 yesterday to £126 a tonne but was still £61.50 below the peak reached in June.

The Man report does not rule out the possibility of a further addition to world sugar stocks at the end of the 1983-84 season. The current estimates puts Soviet production at 7.3m tonne, up from 6.7m in 1982-83, but this may have to be revised upwards.

"Overall the market will have to see some seignificant and surprising production shortfalls to encourage any major recovery in price in the coming year," Man concludes.

Slow harvest of Nicaragua coffee crop

By Tim Coone in Managua

ONLY 15 per cent of the 1983-84 Nicaraguan coffee crop has been collected, according to Mr Jaime Wheelock, Nicaragua's Agriculture Minister. Late maturation delayed the harvest, although a shortage of coffee pickers and guerilla attacks are now the major problems facing this year's crop.

Voluntary work brigades of Government employees, students and soldiers are being organised to try to bring in a total of 1.2m quintales (quintal =46 kilograms) of export quality beans, 200,000 quintales down on last year's record crop. Fighting is continuing in some northern coffee zones.

Continued herring fishing ban likely

By Ivo Dawnay in Brussels

THE PROSPECT of a continued ban on herring fishing in the North and Central sectors of the North Sea, possibly well into the spring, now looks increasingly likely following objections by several EEC member states to a 15,000 tonnes interim quota for Norway.

European Commission officials are expected to attempt to reopen talks with the Norwegians next week in response to British protests, backed by the Dutch and Danes, that Norway's allocation until June is far too high.

However, Norway is certain to resist vigorously any efforts by the commission to cut the quota to well below 10,000 tonnes—a figure that the UK also regards as excessive.

If no agreement is reached on revising down Norway's share, which represents almost 30 per cent of the total EEC catch, Fisheries Ministers will be faced with an unattractive choice.

The commission is certain to point out that the alternatives are a continued ban until May, when official data on available stocks will allow new talks with Norway to be opened, or member states must accept the Norwegian quota as it stands, remembering that this allocation may be renegotiated downwards

A more militant option—a unitlateral allocation of quotas to member states with no quota for Norway—is certain to be strongly opposed by the commission on the grounds that it would sour an otherwise harmonious relationship.

The fact that agreement had been reached with the commission before being rejected by Ministers has undoubtedly strengthened Norway's negotiating position.

'Misunderstood' farmers attempt to improve their public image

Farmer's viewpoint: By John Cherrington

THE NATIONAL Farmers' Union of England and Wales feels that farming is very misunderstood by the rest of the population.

For months during the summer and autumn, the Press and broadcasting media were full of attacks against almost every facet of farming activity—the incineration of the broad acres, the destruction of sites of scientific interest such as swamps and scrubland, the removal of hedgerows, the inhumanity of certain types of animal husbandry. In fact the simplest farming operation seems to enrage some special interest group which wishes to use the countryside for its convenience.

To cap it all, there has been mass criticism of the economic futility of producing vast surpluses at tremendous expense to consumer and taxpayer. Reeling under these attacks, the NFU commissioned a Mori poll on public attitudes to farmers.

The findings were mostly favourable to farmers and farming, which is what the NFU wanted to hear. But it had as much impact on the media as any other exercise in whitewash.

There is no news value, except in time of war, in the picture of honest sons of the soil working all hours of the day and night to feed a hungry people.

The council of the union, the NFU ruling body, is also in some trouble with its constituents. Because of the way the CAP works some sectors of farming—cereals, milk and sheep—have been doing very well, but intensive livestock farmers have been having a very difficult time.

This, to give the NFU its due, is not its fault. The eccentricities of the Common Agricultural Policy are not its responsibility. Nor, for that matter, are they that of any British Government on its own. Community membership provides successive Ministers with a marvellous alibi, of which, being politicians, they know how to take advantage.

The NFU has begun to admit cautiously that there could be something wrong in producing ceaselessly for glutted markets. The NFU council does favour some limit being placed on milk output, but in a way which allows its members to be protected by national measures. It is even prepared to admit that overproduction in the community is a common responsibility of all EEC farmers, not simply those across the channel.

This is a sensible view but the NFU is having great difficulty in finding common ground in this with the Milk Marketing Board and a section of dairy farmers who are determined to resist any restrictions on output.

The only way to counter difficult times is to expand and maintain the throughput of the board's factories. In this there is a conflict of principle. Does the board exist for farmers or farmers for the board?

The same schizophrenic conflict engages arable farmers and pig men, and so on. Is the NFU constituted so that it can make a sensible judgment on the claims of these rival interests and, what is more, persuade its members to accept its arguments?

It is very unlikely. I was on the council myself 30 years ago representing cereal interests, and try as we might to get things altered, all policies worked out by the Government and the union seemed to us to be simply pandering to the dairy and livestock farmers who needed cheap grain. Like any other political body the union listens to the majority of its members, which in those days milked cows.

But the whole industry is a very small proportion of the national economy. Its present and future prosperity is completely dependent on Britain's continuing adherence to the CAP. This is in deep trouble. Subsidy payments are being delayed, and could be stopped from next July when this year's budgeted funds run out, as they will unless Mrs Thatcher relaxes her grip on Britain's contribution. Farmers would then be at the mercy of a British government, with all its consequences in terms of price support which would be based on the estimated national need.

Suppose this or another government decided that maximising food production was not in the national interest and indeed that the reverse should be the case? Then we should all have to mind our Ps and Qs. This is what the NFU should be telling its members.

NEARLY A third of UK farmers believe the EEC's Common Agricultural Policy (Cap) should be reformed, according to survey results published today by Farming News.

Telephone interviews with 200 readers showed that 55 per cent were in favour of remaining in the EEC no matter what but 31 per cent were only happy to stay in the community if the Cap was reformed.

The interviews showed that on balance farmers were optimistic about prospects for this year. Only 13 per cent described their attitude as "pessimistic," 28 per cent were "not very enthusiastic," 10.5 per cent were "indifferent;" 31 per cent were "quite optimistic" and 12 per cent were "enthusiastic." The remaining 5.5 per cent were not sure how they felt.

Rally adds £27 to value of cocoa

By Our Commodities Staff

COCOA PRICES on the London futures market bounced up again yesterday following Wednesday's sharp downturn. But although the May position ended £27 up on the day at £1,961 a tonne, it remained £70 below the five-year high reached on Tuesday.

Wednesday's sell-off was seen as a technical reaction against the previous upsurge which had lifted nearby prices by more than £600 a tonne in two months, and in the absence of fresh fundamental news yesterday's rally was regarded as a further correction to the price level.

In New York meanwhile the U.S. Chocolate Manufacturers Association said it would release cocoa bean grindings figures for the final quarter of last year, next Friday.

Coffee futures prices were also higher, reflecting concern about the availability of nearby supplies, and the March position ended the day £43 up at £1,970 a tonne.

● MALAYSIA has raised the export duty on ground and unground white pepper from ringgit 1252.43 and ringgit 712.63 respectively to ringgit 1340.39 and ringgit 783. Black pepper export duty was increased last week.

● CHINESE STEEL output hit a record 39.93m tonnes last year, 7.4 per cent up on the previous year, said New China News Agency.

● LONDON MARKET reports indicate that India bought crude rapseed oil and crude soyaoil as well as red palm olein at yesterday's vegetable oil tender.

● FRENCH TRADERS said bids for EEC soft wheat export rebates at yesterday's weekly tender total around 512,000 tonnes, down from 580,000 tonnes

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 5 1984	+ or —	Month ago
Metals			
Aluminium	£1100	.....	£1050
Free Mkt	$1580/1610	.....	$1505/625
Copper			
Cash h grade	£1009	+16.25	£1009
3 mths	£1034.75	+9.5	£1034.75
Cash Cathode	£990	+10.5	£993.5
3 mths	£1016.5	+10	£1017.5
Gold troy oz	$376.625	+1.25	$402.125
Lead Cash	£292.5	+5.25	£283.75
3 mths	£304.25	+7	£295.625
Nickel	£4813		£4646.54
rec Mkt	208/226c		205/226c
Palladium oz	$156.00	—0.50	$158.50
Platinum oz	£267.16	+1	£284.20
Quicksilver†	$305/310		$300/315
Silver troy oz	597.00p	—2.90	681.45p
3 mths	610.15p	—3.45	695.60p
Tin cash	£8555	—7.5	£8720
3 month	£8730.5	—12	£8847.5
Tungsten	$73.43		$76.06
Wolfr'm 22.04lb	$71/75		$68/72
Zinc Cash	£666	+21.5	£599
3 mths	£666.5	+18	£614.125
Producers	$980		$950

	Jan. 5 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1042.5y	.....	$960
Goundnut	$920y		‡
Linseed Crude	‡		‡
Palm Malayan	$750w		$685
Seeds			
Copra Phil	$690y	+5	$640
Soyabean (U.S.)	$317.5	—4.5	$313.5
Grains			
Barley Fut. Mar	£123.45	+0.55	£134.30
Maize	£146.50		£146.00
Wheat Fut. Mar	£122.40	+0.30	£124.60
No 2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£2037	+17	£1822
Fut. May	£1961	+27	£1761
Coffee Ft. Mar	£1970	+43	£1952.5
Cotton A.Index	87.95c	—0.55	88.80c
Gas Oil. Feb	$249.5	+1	$244.25
Rubber (kilo)	84.75p	—0.25	84p
Sugar (Raw)	£126y	+4	£137
Woolt'ps 64s	423p kilo		411p kilo

‡ Unquoted. w Feb. z March. v Feb-Mar. y Jan-Feb. † Per 75-lb flask. * Ghana cocoa. n Nominal. c Cents per pound. ‡ British Alcan producer price since Dec 22.

LONDON OIL

Gas oil opened $2.00-$3.00 higher in good volume following a sharp fall in U.S. stock levels. The market made little movement until the lunchtime close when renewed buying moved prices to the highs. Trade selling and weakness in New York put pressure on prices which weakened to close on the lows.

Crude oil also traded sharply higher in the morning but eased back later, reports Premier Man.

SPOT PRICES

CRUDE OIL—FOB ($ per barrel)	Latest	Change + or —
Arabian Light	28.55-28.70	+0.07
Iranian Light	27.60-27.70	—0.20
Arab Heavy	26.30-26.50	+0.08
North Sea (Forties)	29.15-29.50	+0.37
North Sea (Brent)	29.30-29.45	+0.17
African Bonny L'ht	29.40-29.65	+0.12

PRODUCTS—North West Europe	CIF ($ per tonne)	
Premium gasoline	257-262	—2.5
Gas oil	247-257	+1.0
Heavy fuel oil	174-178	+1.0

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.85	+0.05	—
Mar	28.78	+0.06	29.00-28.78
Apr	28.52	+0.05	28.60-.55
May	28.36	+0.02	28.50-.35
June	28.16	—0.24	—
July	28.20	—0.07	—

Turnover: 189 (150) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	251.75	+0.50	254.00-51.75
Feb	249.50	+1.00	252.00-48.25
Mar	244.75	+0.75	247.25-44.50
April	240.50	+1.50	243.00-40.50
May	235.50	+0.50	239.00-35.50
June	235.50	+0.75	237.50-36.00
July	234.00	+0.50	—
Aug	235.00	—	—
Sept	236.00	—	—

Turnover: 3,242 (1,643) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1½ to $376½-377 on the London bullion market yesterday. It also opened at $376¼-377, and was fixed at $376½ in the morning, and $375¼ in the afternoon. The metal touched a peak of $377-377¼, and a low of $373¾-374½.

In Paris the 12½ kilo gold bar was fixed at FFr 130,300 per kilo ($377.27 per ounce) in the morning, compared with FFr 103,000 ($375.59) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,875 per kilo ($377.20 per ounce), against DM 33,840 ($377.74), and closed at $375-375½, compared with $374¼-374¾.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $376.75 per ounce, unchanged from Wednesday.

In Zurich gold finished at $375-375½, against $374-374½.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Jan	374.80-77.80	—0.30	—
Feb	377.80-77.70	+0.75	379.70-78.10
April	383.70-84.50	+0.80	383.90
June	389.50-90.50	+0.25	—
Aug	396.40-97.10	+0.25	—
Oct	402.40-03.60	—0.25	—

Turnover: 517 (722) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Jan. 5		Jan. 4	
Close	$376¼-377	(£266¼-267)	$375-375½	(£264¼-264¾)
Opening	$376¼-377	(£265½-266)	$377-377½	(£265-265½)
Morning fixing	$376.50	(£266.228)	$376.50	(£265.571)
Afternoon fixing	$375.25	(£265.326)	$374	(£263.938)

Gold and Platinum Coins Jan. 5					
Krugrnd	$388¼-389¼	(£275-275½)	King Sov	$90-91½	(£63¾-64½)
½ Krg	$201½-202½	(£142¾-143¼)	Victoria Sov	$90-91½	(£63¾-64½)
¼ Krg	$102½-103¼	(£72½-73)	French 20s	$72-73¼	(£51-52¼)
1/10 Krug	$41¾-42½	(£29½-30)	50 pesos Mex	$456-458	(£322¾-324¼)
Mapleleaf	$388¾-389¼	(£275¼-275½)	100 Cor. Aust	$368-370	(£259-261¼)
New Sov	$88¾-89½	(£62¾-63¼)	$20 Eagles	$525-535	(£371½-378¾)
½ New Sov	$53¼-54	(£37¾-38¼)	Noble (Plat)	$392-396½	(£277½-280½)

EUROPEAN MARKETS

ROTTERDAM, January 5.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter Jan 160, Feb 160, April 161. U.S. Two Northern Spring 14 per cent protein mid-Jan/mid-Feb 193, Feb 192, March 192, April/May 178, June 179. U.S. Three Amber Durum Jan 208, Feb 210, March 212, April/May 194, June 194.50, July 192. Canadian Western Spring April/May 209, June 209.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Jan 311.75, Feb 313.50, March 315, April 317.50, Sept 301.50, Oct 278.25, Nov 278.25, Dec 282.25, Jan 286.25 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 250, Jan 249, Feb 250, Feb/March 250, April/Sept 251, Nov/March 228 sellers. Pellets Brazil afloat 272, Jan 272, Feb 272, March 265, April 258, April/Sept 255 sellers. Pellets Argentina afloat 261, Jan 259, Feb 259.50, May/Sept 250, May/Oct 247, July/Sept 246 sellers.

PARIS, Jan 5.

Cocoa—(FFr per 100 kg): Mar 2367/2369, May 2361/2365, July 2350 bid, Sept 2340 bid, Dec 2300 bid, Mar 2290 bid, May 2290 bid.

Sugar—(FFr per tonne): Mar 1850/1855, May 1917/1918, Aug 2020/2025, Oct 2090/2105, Dec 2175/2195, Mar 2280/2295.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES rose strongly on the London Metal Exchange, mainly reflecting the renewed weakness in sterling against the dollar. ZINC values surged ahead with forward metal touching £676 on further heavy speculative buying and trade support before easing to close the late Kerb at £667. Persistent fears of an imminent squeeze on nearby supplies produced a £5 backwardation at one point. Currency considerations and heavy borrowing caused the upsurge in COPPER which closed around the day's high at £1,040.5. LEAD was finally £304, ALUMINIUM £1,143.75 and NICKEL £3,400.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1003-.5	+4.75	1008-9.5	+10.2
3 months	1029-.5	+3.5	1034.5-5	+8.5
Settlem't	1003.5	+3.5	—	
Cathodes				
Cash	984-5	+2	989-91	+10.5
3 months	1010.5	+4.25	1015-6	+10
Settlem't	985	+2	—	
U.S. pro'd	—	—	*61-685	—72

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,003.50, three months £1,032, 31, 30, 30.50, 30, 29.50, 29. Cathodes: Three months £1,011, 10.50. Kerb: Higher Grade: Three months £1,028, 28.50. Afternoon: Higher Grade: Three months £1,031, 31.50, 32, 33, 34, 35, 34.50, 35. Kerb: Higher Grade: Three months £1,037, 38, 38.50, 38, 39, 39.50, 40, 41, 40.50, 40, 40.50. Turnover: 80,550 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	8595-6	+25.5	8570-80	—10
3 months	8750-5	+111	8750-60	+12.5
Settlem't	8596	+25	—	.....
Standard				
Cash	8560-5	+27.5	8550-60	—7.5
3 months	8736-40	+15	8730-31	—12
Settlem't	8565	+25	—	.....
Straits E.	$29.15		—	.....
New York	—			

Tin—Morning: Standard: Cash £8,565, three months £8,751, 40. High Grade: Cash £8,595, three months £8,751, 50. Kerb: Standard: Three months £8,740, 35. Afternoon: Standard: Three months £8,740, 35, 36, 33, 31. Kerb: Standard: Three months £8,730, 35. High Grade: Three months £8,750. Turnover: 2,165 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	288-.5	+8.75	292-3	+5.25
3 months	298-.5	+6.75	304-.5	+7
Settlem't	288.5	+.5	—	.....
U.S. Spot	—	.....	*24-28	.....

Lead—Morning: Cash £288, three months £302, 01.50, 01, 298, 98.50, 98. Kerb: Three months £297.50, 98, 98.50, 99, 300, 01. Afternoon: Three months £301, 02, 02.50, 03, 04, 04.50, 04. Kerb: Three months £304. Turnover: 13,200 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	676.5-7	+59.8	666-7	+21.5
3 months	674.5-5	+31.5	666-7	+18
Settlem't	677	+58	—	.....
Prim w'ts			*49-49.75	

Zinc—Morning: Cash £675, 77, three months £672, 76, 75, 73, 71, 73, 74, 73, 72, 73, 74, 74.50. Kerb: Three months £673, 72, 71, 71.50, 72. Afternoon: Three months £671, 71.50, 71, 70.50, 70, 70.50, 71, 70.50, 70, 68, 67. Kerb: Three months £667, 68, 69, 70. Turnover: 23,400 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	1107-.5	+6	1112.5-3	+8.25
3 months	1137-8	+7.25	1141.5-2	+9

Aluminium—Morning: Cash £1,107.50, 07, 03. Three months £1,139, 40, 39.50, 39, 38.50, 38, 37, 37.50. Kerb: Three months £1,138, 37.50. Afternoon: Three months £1,140, 41, 41.50, 42, 41.50. Kerb: Three months £1,143, 42, 42.50, 43, 43.50, 44, 43, 43.50. Turnover: 26,200 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3330-5	+6	3312-17	+14.5
3 months	3422-5	+9	3395-400	+14.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,420. Kerb: Three months £3,425, 20, 15, 11, 10. Afternoon: Three months £3,415, 3,396, 3,400. Turnover: 6,168 tonnes.

SILVER

Silver was fixed 2.9p an ounce lower for spot delivery in the London bullion market yesterday at 597p. U.S. cent equivalents of the fixing levels were: spot 843.6c, down 4.4c; three-month 863.8c, down 5.1c; six-month 887.4c, down 6.1c; and 12-month 934c, down 7.1c. The metal opened 600½-603½p (851-855c) and closed at 601-604p (849-853c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	597.00p	—2.90	603.5p	+7.75
3 months	610.15p	—3.45	616.5p	+6.75
6 months	625.95p	—3.95	—	.....
12 months	656.45p	—4.55	—	.....

LME—Silver (2,000 oz contract)—Three months 616.5p (609.75p). Turnover nil (3).

Turnover: 124 (125) lots of 10,000 ozs. Morning: Large cash 594.9, 95.0; three months 611.0, 09.0, 08.6, 08.5. Kerb: three months 609.0, 09.5. Afternoon: large three months 614.5, 17.0, 16.5. Kerb: three months 616.0, 17.0, 18.0.

COCOA

Futures opened unchanged in volatile conditions caused by the previous day's violent move. Prices rallied early on and then retreated quickly as further liquidation pushed the market to the lows of the day. The afternoon saw a recovery as a mixture of short-covering and fresh speculative buying caused prices to close on a stronger note. Origins were again withdrawn industry participation was moderate, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1976-77	+17.5	1985-34
May	1960-62	+27.0	1962-10
July	1943-44	+24.5	1944-96
Sept	1921-24	+25.0	1921-76
Dec	1883-86	+25.5	1884-49
March	1860-70	+25.0	1857-30
May	1820-80	+10.0	1831

Sales: 10,314 (10,999) lots of 10 tonnes.

ICCO Indicator prices (U.S. cents per pound). Daily price for Jan 4: 121.37 (128.20): five-day average for Jan 5: 125.35 (125.69).

COFFEE

Further short-covering during a fairly active morning triggered a rise of £15-£25, reports Drexel Burnham Lambert. A lower than anticipated New York opening influenced some light dealer selling, before additional commission house and trade buying lifted values to the highs by the close.

COFFEE	Yest'day's Close	+ or —	Business Done
January	1975-83	+36.5	1982-44
March	1969-71	+43.0	1972-30
May	1900-02	+27.0	1908-75
July	1859-60	+22.0	1865-43
Sept	1825-28	+29.0	1828-20
Nov	1800-05	+30.5	180
January	1765-70	+26.5	—

Sales: 5,108 (4,238) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Jan 4: Comp. daily 1979 135.69 (136.26); 15-day average 139.40 (139.76).

GRAINS

Old crops saw strong spot interest but forwards struggled to rise. New crops fell sharply on merchant selling, reports Muirpace.

Mnth.	WHEAT Yesterdy's close	+ or —	BARLEY Yest'day's close	+ or —
Jan	120.20	+0.85	120.90	+0.75
Mar	122.40	+0.30	123.45	+0.55
May	125.15	+0.15	124.90	+0.40
July	128.00	—0.05	—	.....
Sept	111.40	—0.30	109.20	—0.60
Nov	114.35	—0.95	112.20	—0.60

Business done—Wheat: Jan 120.00-19.90, March 122.65-2.30, May 125.40-5.05, July 128.30-8.00, Sept 112.15-1.40, Nov untraded. Sales: 229 lots of 100 tonnes. Barley: Jan 120.75-20.50, March 123.45-3.15, May 124.90-4.70, Sept 109.55-9.20, Nov 112.20 only. Sales: 127 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 14 per cent Feb-Mar 148, April-May 137.50 transhipment east coast sellers. English feed fob Feb 126.75 paid Ipswich. Maize: French Jan 148.50 east coast seller. Barley: English feed fob Jan 125.25, Jan-Mar 126.50, April-June 128.50 east coast sellers. Rest unquoted.

POTATOES

Support at £160 basis April kept the market in a narrow range during the morning, but with Amsterdam prices easing further before the reopening, the market fell through the support levels, striking some stop-loss selling, before profits-taking firmed prices towards the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	137.60	140.50	140.00-137.0
April	158.80	162.30	161.70-157.7
May	169.10	173.40	172.00-169.1
Nov	76.00	76.00	—
Feb	86.00	86.00	—

Sales: 1,071 (1,099) lots of 40 tonnes.

RUBBER

The London physical market opened slightly easier, attracted little interest throughout the day and closed uncertain, reports Lewis and Peat. The Kuala Lumpur January fob price for RSS No 1 was 262.5 (262.0) cents a kg and SMR 20 222.0 (222.5).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	850-865	854-866	—
Mch	852-865	856-865	—
Apl-Jne	858-859	861-862	860-856
Jly-Sept	858-859	869-870	869-864
Oct-Dec	879-880	880-881	880
Jan-Mch	888-889	890-892	—
Apl-Jne	900-901	901-905	900
Jly-Sept	910-912	910-913	908
Oct-Dec	920-929	923-932	—

Sales: 32 (47) lots of 15 tonnes; nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 84.75p (85.00p); Feb 85.50p (85.75p); March 85.75p (86.00p).

SOYABEAN MEAL

The market opened about £1.00 easier on continued liquidation, reports T. G. Roddick. Prices remained on the defensive. However, the market found trade support to close mixed.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	176.00-76.50	—1.85	178.50-75.50
April	181.40-81.70	—0.85	181.50-81.00
June	177.70-78.00	—0.28	177.60-77.40
August	177.50-78.20	+0.15	178.20-78.10
October	179.00-72.00	+0.50	—
Dec	165.00-65.00	+0.25	—
Feb	164.00-67.00	+0.50	—

Sales: 154 (90) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £126.00 ($178.50), up £4.00, a tonne for Jan-Feb shipment. White sugar $215.00, up $1.00.

The market was quiet and prices were within a £1.00 range. Peru bought a cargo of white sugar at around $225 c and f, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	142.80-42.70	142.00	142.75-41.25
May	148.65-48.80	148.20-48.30	149.00-47.50
No. 6 Contract	**$ per tonne**		
Mar	202.00-02.20	201.00-02.00	203.00-01.40
May	211.00-11.40	210.50-11.00	211.20-09.60
Aug	218.80-19.00	218.40-19.40	219.60-18.60
Oct	226.40-27.00	226.40-27.60	227.00-26.00
Dec	235.00-35.00	233.00-35.00	—
Mar	246.00-50.00	246.00-49.50	—
May	255.00-58.00	255.00-58.00	—

Sales: No 4 1,239 (1,313); No 6 443 (323) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £233.00 (£228.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for January 4. Daily price 6.91 (6.94); 15-day average 7.33 (7.41).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 35 tonnes. The uncertain movement of shipment prices kept many buyers on the sidelines, but inquiry was still evident for quality styles for speciality purposes. Middle Eastern and African growths were among those requested.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 405, 408, nil; Mar 422, 423, 422; May 432, 433, 433-431; Aug 448, 450, 449-447; Oct 449, 451, 452-450; Dec 453, 454, 455; Jan 454, 456, 455-454; Mar 462, 464, 465-460; May 468, 470, 471-470. Sales: 59.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 585.5, 587.5, untraded; May 580.0, 581.0, 580.0; July 590.0, 592.0, untraded; Oct 583.0, 587.0, untraded; Dec 591.0, 595.0, untraded; March 602.0, 614.0, untraded; May 610.0, 625.0, untraded; July 615.0, 635.0, untraded. Sales: 16.

INDICES

FINANCIAL TIMES

Jan. 4	Jan. 3	M'th ago	Y'ar ago
295.33	296.34	289.75	240.16

(Base: July 1 1952=100)

REUTERS

Jan. 5	Jan. 4	M'th ago	Y'ar ago
1977.7	1968.4	1948.2	1583.0

(Base: September 18 1931=100)

MOODY'S

Jan. 4	Jan. 3	M'th ago	Year ago
1044.9	1056.6	1037.5	1013.4

(December 31 1931=100)

DOW JONES

Dow Jones	Jan. 4	Jan. 3	Month ago	Year ago
Spot	137.1	138.02	138.86	134.89
Fut's	140.59	140.57	146.36	142.39

(Base: December 31 1974=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.54p per kg lw (—2.03). GB—Sheep 154.37p per kg est dcw (—6.01). GB—Pigs 74.04p per kg lw (—5.99).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 82.0-87.0; Ulster hindquarters 102.0-109.0, forequarters 55.0-58.0. Lamb—English small 70.0-78.0, medium 68.0-76.0, heavy 68.0-68.0; Imported: New Zealand PL 59.5-60.0, PX 57.0-57.5. Pork — English under 100 lb 42.0-55.0, 100-120 lb 48.5-53.5, 120-160 lb 44.0-50.0.

GRIMSBY FISH — Supply poor, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.50-8.40, codlings £3.40-5.50; large haddock £5.40-6.30, medium £4.50-6.90; large plaice £5.50-6.00, medium £5.80-6.40; lemon soles (large) £7.00; rockfish £2.60-3.60; saithe £3.40.

English produce: Apples—Per pound: Cox's 0.16-0.28, Spartan 0.12-0.18, Laxton's Superb 0.12-0.16, Bramley 0.19-0.24. Pears—Per pound, Comice 0.15-0.22, Conference 0.10-0.22. Potatoes—Whites 4.20-4.80, Edwards 4.80-5.20; Bakers 7.00-8.00. Mushrooms—Per pound, open 0.60-0.70, closed 0.70-0.80. Lettuce—Per tray round 1.50-2.00. Onions—Per 55-lb 4.00-4.50. Cabbages—Per 25-lb Celtic 2.80-3.00, Jan King 3.50-3.60. Celery—Prepacked 3.00-3.60; dirty, by cubes, 2.00. Beetroots—28-lb 1.80-2.00. Turnips — 28-lb 2.00-2.50. Swedes—28-lb 1.20-1.50. Sprouts—Per pound 0.10-0.15. Carrots—28-lb 1.80-2.50. Cauliflowers — Dozen Cornish 3.00-3.50; Kent 3.00. Greens — 30-lb Kent 4.00-4.50; 40-lb Cornish 6.00-6.50. Parsnips—28-lb 3.00-3.50. Rhubarb—Per pound 0.28-0.30.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas—Spania: 2.40-2.80. Clementines—Corsican: 2.00-3.00; Spania: 82/120 4.00-4.20, 132/168 3.80-4.00, 182/210 3.50-3.80; Moroccan: 1's 3.80, 2's 3.50-3.80, 3's 3.30-3.40, 4's 3.20-3.30, 5's 2.80-3.00. Oranges—Spania: 4.40-4.50; Moroccan: 4.20-4.50; Jaffa: Navels 16-kg carton 40 4.85, 48 5.15, 56 5.10, 72/88 4.70, 100/113 5.10; 21-kg Bruce 56/60 6.00, 75 6.10, 88/105 5.80, 123/144 6.00; Cyprus: Ovals approx 15-kg 4.50. Bitters — Spania: Sevillas 7.50; Italian: 5.50-5.80; Cuban: 4.50. Lemons—Italian: carton 5.00-5.50; Cyprus: 10-kg boxes 2.50-5.00; Greek: 10-kg 3.50-4.20, 15-kg 6.00-6.50; Spania: 5-kg 1.80-2.20.

Grapefruit—Jaffa: 20-kg 32 5.00, 36 5.30, 40 5.40, 48 5.10, 56 4.90, 64 4.50, 75 4.20, 88 4.00, Sunrise 23 5.80, 32 6.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00, Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 5.20; U.S.: Ruby 6.50-7.50; Cyprus: 32 4.60, 40 4.30, 48 4.00, 56 3.80, 64 3.60; Cuban: Pink 36/40 3.80-4.00. Kumquats—Moroccan: per pound 1.20; Israeli: 1.10-1.20. Apples—French: Golden Delicious carton 5.50-7.50, Granny Smith carton 8.50-9.30, Starkcrimson carton 7.00-7.50; Hungarian: approx 19-kg Starkling 6.20-6.80; U.S.: Red Delicious carton 13.00-14.00. Pears—Per pound Italian: Passacrassana 0.12-0.14; Dutch: Comice 0.20-0.23.

Pears—Per pound Italian: Passacrassana 0.12-0.14; Dutch: Comice 0.20-0.23. Peaches—Cape: 5.00-5.50. Apricots—Cape: 7.50-8.00. Nectarines—Cape: 6.00-6.50. Plums—Cape: Santa Rosa tray 5.00-6.00. Grapes—Cape: approx 5-kg Queen of the Vineyard 10.00-11.00, Sultana 14.50-15.00; Zimbabwe: Sultana 11.00-12.00; Spanish, per pound: Almeria 0.25-0.32, Napoleon 0.28-0.30; Italian: Italia 0.38-0.40.

AMERICAN MARKETS

NEW YORK, January 5.

Heating oil prices opened sharply higher on a bullish industry stock report indicating a major drawdown: the high opening attracted trade hedging turnover net gains for the day into moderate losses, reports Heinold Commodities. Crude oil opened moderately higher but yielded to steady speculative pressure and finished virtually unchanged. Coffee prices rallied on active roaster buying despite indications that fears of a dock dispute have eased. Cocoa prices found strong commission house buying and trade interest as new evidence of East European inquiries became apparent.

Sugar prices sold off slightly mostly on technical trading as private forecasts continued to indicate a balanced supply in 1984. Aluminium prices rose sharply on keen commission house support and technically oriented buying. Gold came under pressure while silver remained steady; the weakness in the gold was attributed by traders to the weak tone in currencies. Copper prices finished sharply higher on short-covering and steady user demand which led to new interest by commission houses. Cotton prices traded slightly higher with trade interest and short-covering providing most of the support.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	78.00	78.00	77.25	77.10
May	78.35	77.90	77.80	77.35
July	79.25	78.75	78.75	78.25
Sept	80.15	79.40	79.40	79.15
Dec	81.45	80.80	80.80	80.55
Jan	81.85	—	—	81.00
March	82.75	—	—	81.95
May	83.60	—	—	82.90
July	84.50	—	—	83.85
Sept	85.40	—	—	84.80

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2563	2568	2577	2609
May	2540	2548	2553	2599
July	2620	2625	2532	2583
Sept	2571	2600	2509	2597
Dec	2540	2540	2470	2512
March	2510	2510	2510	2484

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	141.21	41.25	39.60	39.34
May	137.90	37.80	36.70	36.23
July	135.73	35.75	34.70	34.20
Sept	133.61	33.75	32.60	32.45
Dec	131.25	30.50	30.50	29.50
March	129.58	—	—	28.00
May	128.25	—	—	26.88

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	65.30	65.45	64.60	64.75
Feb	65.90	65.30	65.30	65.20
March	66.45	66.75	65.60	65.85
May	67.75	68.00	67.00	67.15
July	69.10	69.35	68.40	68.50
Sept	70.45	70.60	70.00	69.85
Dec	72.50	72.60	71.80	71.90
Jan	73.20	—	—	72.60
March	74.56	74.80	74.00	73.95
May	75.85	76.10	75.15	75.25

COTTON 50,00 lbs, cents/lb

	Close	High	Low	Prev
March	75.62	76.30	75.60	75.77
May	76.92	77.60	76.90	77.14
July	77.87	78.35	77.95	77.86
Oct	73.81	74.00	73.81	73.60
Dec	72.47	72.70	72.46	72.40
March	73.50	—	—	73.90
May	74.20	—	—	74.65

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Feb	29.25	30.10	29.05	29.50
March	28.90	29.55	28.65	29.12
April	28.55	29.21	28.30	28.83
May	28.45	29.09	28.20	28.70
June	28.40	28.93	28.40	28.57
July	28.30	28.70	28.30	28.60
Aug	29.00	—	—	28.50
Sept	28.60	28.65	28.60	28.50
Oct	28.60	28.60	28.60	28.45

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	375.5	378.0	376.0	377.3
Feb	377.7	380.4	376.7	379.7
March	380.8	383.5	383.5	382.8
April	383.9	386.5	382.5	386.0
June	390.2	393.0	389.0	392.4
Aug	396.7	398.0	396.0	399.0
Oct	403.4	405.0	402.5	405.8
Dec	410.3	412.8	410.5	412.8
Feb	417.4	419.6	418.8	420.0
April	424.7	—	—	427.3
June	432.3	—	—	434.9
Aug	440.2	—	—	442.8
Oct	448.4	—	—	451.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	79.90	83.40	78.50	81.84
March	76.80	79.90	76.50	78.48
April	74.20	77.00	73.80	75.66
May	71.80	75.00	71.80	73.50
June	73.70	74.50	73.65	73.84
July	74.50	74.70	74.70	74.15
Aug	—	—	—	75.00
Sept	77.00	—	—	75.80
Oct	78.00	—	—	76.50

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	141.00	41.40	41.00	40.25
March	144.30	45.20	44.25	43.85
May	145.50	46.50	45.60	45.00
July	146.55	47.40	46.60	46.00
Sept	147.40	48.00	47.40	46.80
Nov	144.90	46.00	44.75	44.00
Jan	139.70	39.50	39.00	38.90
March	137.80	—	—	37.90
May	137.80	—	—	37.90

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	378.8	381.0	378.0	376.5
April	387.3	390.0	383.0	385.2
July	394.2	396.0	391.0	392.2
Oct	401.1	402.0	399.5	399.2
Jan	408.1	406.0	405.0	406.5
April	415.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	854.0	848.0	847.0	852.0
Feb	859.5	—	—	857.5
March	866.0	873.0	857.0	864.0
May	880.9	888.0	870.0	878.8
July	895.9	903.0	887.0	893.7
Sept	911.2	918.0	904.0	908.9
Dec	934.4	941.0	927.0	931.9
Jan	942.5	945.0	945.0	939.9
March	958.7	965.0	954.0	956.2
May	975.9	—	—	973.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan.	9.55	9.80	9.64	9.75
March	7.80	7.98	7.79	7.89
May	8.19	8.35	8.17	8.33
July	8.45	8.65	8.44	8.66
Sept	8.68	8.89	8.68	8.88
Oct	8.84	9.05	8.83	9.05
March	9.82	10.10	9.86	10.01

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	68.65	68.65	67.35	67.15
April	68.85	68.95	67.50	67.45
June	67.95	68.05	67.00	66.90
Aug	65.82	65.87	64.95	64.85
Oct	63.42	63.50	62.95	62.72
Dec	64.35	64.42	63.65	63.30

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	52.45	52.45	51.30	50.95
April	49.40	49.40	48.10	47.90
June	54.55	54.55	53.20	53.05
July	55.37	55.37	54.00	53.87
Aug	54.70	54.70	53.45	53.20
Oct	52.50	52.50	51.50	51.00
Dec	53.70	53.80	52.50	52.30
Feb	54.52	54.60	53.20	53.10
April	52.45	52.45	52.45	52.40

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
March	333.0	333.4	330.2	329.6
May	336.6	337.0	333.6	333.6
July	337.2	337.6	334.6	334.6
Sept	310.0	310.6	308.6	308.4
Dec	292.0	292.4	290.6	291.2
March	303.2	303.2	301.6	302.2
May	309.0	310.0	309.0	308.6

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	62.95	62.95	61.75	60.95
March	63.27	63.27	62.10	61.27
May	65.02	66.02	63.70	63.02
July	65.55	65.55	64.15	63.55
Aug	64.25	64.25	63.20	62.25

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Jan	788.0	790.0	777.4	773.4
March	805.0	809.0	796.4	792.0
May	818.0	822.0	809.0	806.0
July	825.4	829.0	816.4	813.4
Aug	814.0	818.0	806.0	802.0
Sept	762.0	762.0	752.0	749.0
Nov	722.0	723.4	713.4	712.0
Jan	734.0	734.0	726.0	724.0
March	746.0	746.0	740.0	736.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	215.0	216.3	213.0	212.5
March	215.8	217.0	213.6	212.8
May	216.8	218.0	214.5	213.7
July	218.0	218.8	215.0	214.7
Aug	216.5	217.5	213.0	212.8
Sept	207.5	208.5	206.5	206.5
Oct	194.2	194.2	192.0	193.0
Dec	195.2	195.2	193.5	194.0
Jan	196.0	195.0	196.0	194.0
March	197.0	—	—	197.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	28.75	28.75	28.15	28.30
March	29.40	29.40	28.70	28.85
May	29.79	29.79	29.17	29.37
July	29.80	29.85	29.35	29.45
Aug	29.36	29.40	29.06	29.07
Sept	28.15	28.15	27.70	27.65
Oct	27.25	27.25	26.70	26.70
Dec	27.00	27.00	26.40	26.40
Jan	26.90	—	—	26.25

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
March	359.0	359.4	354.2	355.2
May	354.6	356.0	351.4	351.6
July	342.4	343.4	340.2	341.4
Sept	349.2	349.8	347.2	346.6
Dec	362.2	362.6	360.0	362.0
March	372.0	372.8	370.0	372.0

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to improve

The dollar reached record levels in currency markets yesterday amid continued concern over Middle East tension and short term movements in U.S. interest rates. The dollar finished at a record high against sterling, the French franc, Italian lira and most Scandinavian currencies. The D-mark slumped to a new 10-year low with central banks offering only limited support in the face of persistent dollar demand.

Trading earlier in the day pushed the dollar above the psychologically important chart point of DM 2.80 and it reached a best level of DM 2.8025 before slipping back to finish at DM 2.7990, still sharply firmer than Wednesday's closing level of DM 2.7845. It rose against the Swiss franc to SwFr 2.2340 from SwFr 2.2280 and FFr 8.54 compared with FFr 8.4975. The Japanese yen moved against the trend and finished on a firmer note with the dollar slipping to Y232.85 from Y233.30. On Bank of England figures the dollar's index rose to 131.3 from 131.1, its highest ever recorded level.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.4125. December average 1.4344. Trade weighted index 81.9 against 81.9 at noon and 82.1 in the morning and compared with 82.0 on Wednesday and 84.5 six months ago.

Sterling opened at $1.4200 on initial dollar weakness but lost ground, as the dollar improved, to touch a low of $1.41. It closed at $1.4120-1.4130, a fall of 80 points from Wednesday's close in London. In early New York trading it dipped to $1.4085. Sterling was also weaker against the D-mark at DM 3.9550 from DM 3.9575 and SwFr 3.1575 compared with 3.1650. It was also down against the French franc at FFr 12.06 from FFr 12.0650 and slipped to Y329½ from Y332. MACHINE 31 — 7¼/8 — ed

D-MARK — Trading range against the dollar in 1983-84 is 2.7990 to 2.3320. December average 2.7487. Trade-weighted index against 127.5 six months ago.

The D-mark weakened at the Frankfurt fixing, with the dollar rising to almost a 10-year high. It was fixed at DM 2.7948, compared with DM 2.7865, the highest level since January 30 1974, when the U.S. currency was at DM 2.8020. The Bundesbank sold $51.55m at the fixing, as the dollar rose from an opening level of DM 2.7880. Sterling improved to DM 3.95 from DM 3.9460; the French franc to DM 32.760 per 100 francs from DM 32.725; the Dutch guilder to DM 89.170 per 100 guilders from DM 89.085; the Swiss franc to DM 1.2526 from DM 1.2474; the Italian lira to DM 1.6510 per 1,000 lira from DM 1.6500, and the Japanese yen to DM 1.1985 per 100 yen from DM 1.1925.

FRENCH FRANC — Trading range against the dollar in 1983-84 is 8.54 to 6.6060. December average 8.3779. Trade-weighted index 65.7 against 69.0 six months ago.

The franc showed mixed changes at the Paris fixing. The dollar rose to a record high of FFr 8.5365 from FFr 8.5295, amid concern about developments in the Lebanon and nervousness about the direction of U.S. interest rates. Sterling improved to FFr 12.0560 from FFr 12.0555, and the Swiss franc to FFr 3.8189 from FFr 3.8148. Most members of the European Monetary System declined against the franc, however, with the D-mark falling to FFr 3.0520 from FFr 3.0539; the Dutch guilder to FFr 2.7218 from FFr 2.7230; the lira to FFr 5.0395 per 1,000 lira from FFr 5.0430; and the Irish punt to FFr 9.4680 from FFr 9.4735.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0374	+2.53	+1.86	±1.5447
Danish Krona ...	8.14104	8.16764	+0.33	−0.34	±1.6425
German D-Mark	2.24184	2.25913	+0.77	+0.10	±1.0642
French Franc ...	6.87456	6.89582	+0.31	−0.36	±1.4052
Dutch Guilder ...	2.52595	2.53354	+0.30	−0.37	±1.4964
Irish Punt	0.72569	0.728506	+0.39	−0.28	±1.6699
Italian Lira	1403.49	1369.83	−2.40	−2.40	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York—Latest

	Jan 5	Previous
Spot	$1.4105-4115	$1.4145-4165
1 month	0.07-0.10 dis	0.09-0.10 dis
3 months	0.23-0.27 dis	0.26-0.28 dis
12 months	0.90-1.05 dis	1.04-1.10 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4100-1.4200	1.4120-1.4130	0.07-0.12c dis	−0.81	0.22-0.27dis	−0.69
Canada	1.7610-1.7700	1.7640-1.7650	0.05-0.15c dis	−0.68	0.20-0.30dis	−0.57
Nethlnd.	4.43-4.45	4.43-4.44	1⅛-⅞c pm	3.04	3⅝-3¼ pm	3.16
Belgium	80.30-80.80	80.50-80.60	3-13c dis	−1.19	35-45 dis	−1.99
Denmark	14.26-14.30	14.27-14.28	3¾-4¾ore dis	−3.57	8¼-9⅞ dis	−2.61
Ireland	1.2710-1.2780	1.2740-1.2760	0.30-0.36p dis	−3.11	0.85-1.00dis	−2.90
W. Ger.	3.94-3.96½	3.95-3.96	1½-¾pf pm	3.41	3½-3 pm	3.29
Portugal	190.25-191.75	190.80-191.10	135-315c dis	−14.16	460-1000dis	−15.19
Spain	225.50-226.50	225.65-225.85	175-215c dis	−10.36	545-610dis	−10.23
Italy	2390-2397	2393-2395	12½-14½ lire dis	−6.77	43-45 dis	−7.35
Norway	11.07-11.11	11.08-11.09	3½-4¾ore dis	−4.60	8¾-9⅞ dis	−3.36
France	12.04½-12.08	12.05½-12.06½	3-4c dis	−3.48	11½-12¾dis	−4.06
Sweden	11.51-11.54	11.51½-11.52½	1½-2⅞ore dis	−2.15	6-6⅝ dis	−2.19
Japan	328-331	328¾-329¾	0.85-0.75y pm	2.91	2.35-2.25 pm	2.79
Austria	27.75-27.90	27.83-27.88	7⅞-6gro pm	2.93	21½-17½ pm	2.77
Switz.	3.14½-3.17	3.15¼-3.16¼	1⅝-1⅜c pm	5.70	4½-3⅞ pm	5.22

Belgian rate is for convertible francs. Financial franc 81.90-82.00. Six-month forward dollar 0.43-0.48c dis. 12-month 0.95-1.05c dis.

THE DOLLAR SPOT AND FORWARD

Jan 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4100-1.4200	1.4120-1.4130	0.07-0.12c dis	−0.81	0.22-0.27dis	−0.69
Ireland†	1.1070-1.1100	1.1080-1.1090	0.21-0.18c pm	2.11	0.57-0.51 pm	1.95
Canada	1.2485-1.2500	1.2490-1.2495	0.04-0.02c pm	0.29	0.09-0.06 pm	0.24
Nethlnd.	3.1270-3.1400	3.1380-3.1400	1.08-0.98c pm	3.94	3.08-2.98 pm	3.87
Belgium	56.90-57.03	57.00-57.02	3-4c dis	−0.74	15-17 dis	−1.12
Denmark	10.09-10.11½	10.11-10.11½	1.25-1.75ore dis	−1.78	1.25-1.75dis	−0.59
W. Ger.	2.7860-2.8025	2.7985-2.7995	0.98-0.03pf pm	4.10	2.78-2.73 pm	3.94
Portugal	134.75-135.60	135.00-135.50	90-210c dis	−13.30	300-680dis	−14.49
Spain	159.70-160.00	159.90-160.00	130-180c dis	−11.64	375-450dis	−10.33
Italy	1690-1696	1695-1696	9-9½ lire dis	−6.55	28-29 dis	−6.73
Norway	7.8400-7.8530	7.8425-7.8475	2.20 2.50ore dis	−3.75	5.80-5.90dis	−2.93
France	8.5100-8.5500	8.5375-8.5425	1.82-1.92c dis	−2.63	7.20-7.60dis	−3.47
Sweden	8.1470-8.1600	8.1500-8.1550	0.70-0.90ore dis	−1.18	2.70-2.90dis	−1.37
Japan	232.25-233.60	232.80-232.90	0.72-0.68y pm	3.61	2.08-2.03 pm	3.52
Austria	19.68-19.74	19.71½-19.72½	6.40-5.80gro pm	3.71	18¼-16¼ pm	3.50
Switz.	2.2255-2.2390	2.2335-2.2345	1.22-1.17c pm	6.42	3.33-3.28 pm	5.92

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.00-58.05.

OTHER CURRENCIES

Jan. 5	£	$		£ Note Rates
Argentina Peso...	33.42-33.48	20.67-20.69	Austria...	27.70-28.00
Australia Dollar...	1.5675-1.5705	1.1105-1.1120	Belgium...	81.45-82.25
Brazil Cruzeiro...	1,382.34-1,390.40	979-984	Denmark...	14.22-14.36
Finland Markka...	8.3550-8.3710	5.9225-5.9245	France...	12.01-12.13
Greek Drachma...	142.80 143.40**	101.25-101.50	Germany...	3.93¼-3.97¼
Hong Kong Dollar	11.001¼-11.0145	7.7925-7.7946	Italy...	2375-2405
Iran Rial...	125½*	88.25*	Japan...	329-334
Kuwait Dinar(KD)	0.4139-0.4142	0.29519-0.29325	Netherlands...	4.41-4.45
Luxembourg Fr...	80.50-80.60	57.00-57.02	Norway...	11.04-11.14
Malaysia Dollar...	3.3090-3.3160	2.3420-2.3455	Portugal...	188-202
New Zealand Dlr.	2.1730-2.1780	1.5395 1.5420	Spain...	223¾-235¾
Saudi Arab. Riyal	4.9420-4.9460	3.5000 3.5015	Sweden...	11.47-11.57
Singapore Dollar	3.010-3.016	2.1320 2.1335	Switzerland...	3.14¼-3.17¼
Sth.African Rand	1.7500-1.7520	1.2390-1.2405	United States...	1.40½-1.42¼
U.A.E. Dirham...	5.1845-5.1890	3.6720-3.6730	Yugoslavia...	202-220

* Selling rates. ** Jan—The rate for the Greek drachma against the pound should have read 143.05-143.40.

CURRENCY RATES

Jan. 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling ...	—	0.734154	0.571948
U.S. $ ...	8½	1.03736	0.808277
Canadian $...	9.96	*	1.00978
Austria Sch	3¾	20.4370	15.9231
Belgian F ...	10	59.1191	46.0374
Danish Kr...	7	10.4816	8.16764
D'mark ...	4	2.89921	2.25915
Guilder ...	5	3.25212	2.53354
French F...	9½	8.85542	6.89582
Lira ...	17	1758.07	1369.83
Yen ...	5	241.918	188.409
Norwgn Kr...	8	8.13187	6.34497
Spanish Pta	—	165.724	129.146
Swedish Kr	8½	8.44359	6.59150
Swiss Fr ...	4	2.31559	1.80609
Greek Dr'ch	20½	105.188	81.9835

*C$/SDR rate for Jan 4: unavailable.

CURRENCY MOVEMENTS

Jan. 5	Bank of England Index	Morgan Guaranty Changes%
Sterling...	81.9	−8.5
U.S. dollar...	131.3	+18.8
Canadian dollar...	92.3	+0.4
Austrian schilling...	113.3	+2.6
Belgian franc...	88.9	−12.2
Danish kroner...	77.8	−6.1
Deutsche mark...	123.4	+6.5
Swiss franc...	149.5	+13.6
Guilder...	113.7	+3.9
French franc...	65.7	−15.7
Lira...	48.7	−12.1
Yen...	157.6	+13.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

EXCHANGE CROSS RATES

Jan. 5	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.413	3.956	329.3	12.06	3.158	4.435	2394.	1.765	80.55
U.S. Dollar	0.708	1.	2.799	232.2	8.540	2.234	3.140	1696.	1.25	57.01
Deutschemark	0.253	0.357	1.	83.25	3.049	0.798	1.121	605.5	0.446	20.37
Japanese Yen 1,000	3.037	4.290	12.01	1000.	36.65	9.590	13.47	7271.	5.359	244.6
French Franc 10	0.829	1.171	3.279	273.0	10.	2.618	3.677	1985.	1.463	66.79
Swiss Franc	0.317	0.447	1.253	104.3	3.819	1.	1.405	758.2	0.559	25.51
Dutch Guilder	0.225	0.318	0.892	74.24	2.719	0.712	1.	539.8	0.398	18.16
Italian Lira 1,000	0.418	0.590	1.652	137.5	5.038	1.319	1.853	1000	0.737	33.65
Canadian Dollar	0.567	0.801	2.241	186.6	6.835	1.789	2.513	1357.	1.	45.65
Belgian Franc 100	1.241	1.754	4.910	408.8	14.97	3.920	5.506	2972.	2.191	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term...	9-9⅛	9⅜-9⅝	9-9½	5¾-5⅞	1½-1¾	5⅝-5⅞	12⅝-12⅝	14½-15½	9½-10	9½-10	6⅟₁₆-6⅟₁₆	12⅞-13⅝
7 day's notice...	9 9⅛	9⅛-9¾	9-9½	5⅜-5⅞	2-2¼	5⅟₁₆ 5¾	12¼-12½	16-17	10-10½	10-10½	6⅟₁₆-6⅟₁₆	12½-13
Month...	9⅛-9¼	9⅝-9⅜	9¼-9½	5¾-5⅞	3⅟₁₆-3⅜	5⅟₁₆ 5¾	12⅝-12⅝	16⅛-16⅝	10⅝-10⅞	10½-10¾	6⅟₁₆-6⅟₁₆	12-12½
Three months...	9⅟₁₆-9⅟₁₆	9¾-10	9½-9⅝	5⅜-6⅟₁₆	3¼-3⅞	5⅞ 5⅜	13½-13¾	16⅝-17⅛	10⅞-11⅛	10⅞-11⅛	6⅟₁₆-6⅟₁₆	11⅝-12⅛
Six months...	9⅜-9⅝	9⅞-10⅛	9⅟₁₆-9⅞	6⅛-6¼	3⅜-4⅟₁₆	6⅛-6⅟₁₆	14¼-14½	17¼-17¾	11⅛-11⅝	11⅛-11⅝	6⅝-6½	11⅜-11⅞
One Year...	9⅞-10	10⅝-10⅝	9⅟₁₆-10⅟₁₆	6⅜-6½	4⅟₁₆ 4⅟₁₆	6⅟₁₆-6½	14½-14¾	18-18½	11¼-11¾	11⅛-11⅝	6½-6⅝	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 9¾-9⅞ per cent; seven days 9¾-9⅞ per cent; one month 9¾-9⅞ per cent; three months 9⅞-10 per cent; six months 10⅟₁₆-10⅟₁₆ per cent; one year 10⅜-10½ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11½-11¾ per cent; four years 11⅞-12⅛ per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates show little change

Interest rates were hardly changed in London yesterday despite sterling's weaker performance. Three-month eligible bank bills were bid at 8⅞ per cent unchanged from Wednesday while three-month eligible bank bills were trading at 9 25/64 per cent compared with 9⅟₁₆ per cent. Overnight money traded between 10 per cent and 8 per cent.

The Bank of England forecast a shortage of around £400m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £227m and Exchequer transactions a further £240m. These were partly offset by a fall in the note circulation of £50m. The Bank gave assistance in the morning of £179m, comprising purchases of £19m of eligible bank bills in band 2 (15-33 days) at 9 per cent and in band 3 (34-63 days) £1m of Treasury bills and £11m of eligible bank bills. In band 4 (64-91 days) it bought £148m of eligible bank bills at 8¾ per cent.

In the afternoon the Bank gave further assistance of £93m comprising purchases of £2m of Treasury bills and £25m of eligible bank bills in band 1 (up to 14 days) at 9⅟₁₆ per cent and in band 2 £10m of local authority bills and £13m of eligible bank bills all at 9 per cent. In band 4 it bought £1m of Treasury bills and £38m of eligible bank bills all at 8⅞ per cent. The Bank also provided a late round of assistance of around £40m, making a grand total of £312m.

In Frankfurt the Bundesbank left its credit policies and lending rates unchanged after yesterday's meeting of the central council. The market had not been expecting a rise in the Lombard or discount rate despite the D-mark's recent decline against the dollar. The Bundesbank did take steps to maintain adequate short term liquidity, however, by inviting tenders for a further sale and repurchase agreement at 5.8 per cent. This is 0.1 per cent up from the last repurchase facility but taken over its life of 34 days, still compares favourably with a one-month interbank rate of 5.8-6.0 per cent.

Banks must apply for funds by Monday morning with successful applications being credited on Tuesday. On Monday therefore banks will have to cope with a maturing DM 7.2bn repurchase agreement, probably by drawing funds through the Lombard facility at 5.5 per cent. The outstanding balance on Wednesday was down from Tuesday's figure of DM 7bn but remained relatively high at DM 6.6bn. Continued Bundesbank intervention in the foreign exchange market has also drained short-term liquidity. Call money yesterday remained firm at 5.50-5.65 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Jan. 5 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight ...	—	8-10	9	9⅛-9¼	9-9¼	—	—	—	—	—
2 days notice...	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or ...	—	—	—	—	—	—	—	—	—	—
7 day notice ...	—	9-9¼	9-9⅛	9¼-9⅝	9	—	—	—	—	—
One month...	9¼ 9⅟₁₆	9⅟₁₆-9¼	9⅟₁₆	9⅛	9	9	8½	9⅟₁₆-9⅟₁₆	8⅟₁₆-9	9⅟₁₆
Two months ...	9⅟₁₆-9¼	9¼-9⅟₁₆	9¼	9⅝	9	8⅟₁₆	8⅞	8⅟₁₆	8⅟₁₆	9⅟₁₆
Three months	9⅝-9⅟₁₆	9⅟₁₆-9⅟₁₆	9⅟₁₆	9¾	9	8⅞	8⅟₁₆	8⅟₁₆	8⅟₁₆-8⅞	9⅟₁₆
Six months ...	9⅟₁₆ 9⅝	9⅟₁₆-9⅟₁₆	9½	—	—	—	—	9⅟₁₆-9⅟₁₆	8⅟₁₆-8⅟₁₆	9⅟₁₆
Nine months ...	9⅟₁₆ 9⅛	9⅟₁₆-9⅟₁₆	9⅝	—	—	—	—	—	—	—
One year...	9⅝-9⅟₁₆	9⅞-9⅟₁₆	9⅝	—	—	—	—	—	—	—

MONEY RATES

Jan. 5	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight ...	5.50-5.65	12½	1½-2½	5⅝-5¾	6.15625	17¼-17⅞	8-35	11½-11¾
One month ...	5.80-6.00	12⅟₁₆-12⅟₁₆	3⅟₁₆-3⅟₁₆	5¾-5⅞	6.15625	17½-17⅞	10½-10¾	12-12⅛
Two months ...	5.90-6.05	12⅟₁₆-12⅟₁₆	—	—	—	—	—	12-12¼
Three months ...	5.95-6.05	12⅟₁₆-12⅟₁₆	3¾-3⅞	6⅟₁₆-6⅟₁₆	6.28125	17⅝-18	10⅞-11⅛	12-12¼
Six months ...	6.20-6.35	12⅟₁₆-12⅟₁₆	—	6⅟₁₆-16⅟₁₆	—	—	11-11⅛	12¼-12½
Lombard ...	5.5	—	—	—	—	—	—	—
Intervention ...	—	12	—	5⅞	—	—	—	—

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
11.00 a.m. January 5)

3 months U.S. dollars	
bid 9 7/8	offer 10

6 months U.S. dollars	
bid 10 1/16	offer 10 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month...	9⅞-9⅝	—	9⅟₁₆	9.6-9.7	8⅝-9	8⅟₁₆-9⅟₁₆
Two months...	9⅞-9⅝	—	9⅟₁₆	9.6-9.7	8⅟₁₆-9⅟₁₆	8⅞-9¼
Three months...	9⅞-9⅝	—	9⅝	9.65-9.75	8⅞-9¼	9⅟₁₆-9⅟₁₆
Six months...	9⅝-9⅛	—	9⅝	9.85-9.95	9⅛ 9½	9⅝-9¾
Nine months...	9⅞-9⅝	—	9⅟₁₆	10.05-10.25	—	—
One year...	9¾-9⅝	—	9⅟₁₆	10.2-10.4	9⅟₁₆-9⅟₁₆	9⅟₁₆-10⅟₁₆
Two years...	—	10⅝	—	—	—	—
Three years...	—	10⅞	—	—	—	—
Four years...	—	11	—	—	—	—
Five years...	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8391 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9¼ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 4. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½-11
Fed funds	9⅝
Fed funds at intervention	9⅟₁₆

Treasury Bills

One month	8.46
Two month	8.725
Three month	8.94
Six month	9.11
One year	9.17

Treasury Bonds

Two year	100¼
Three year	100⅟₁₆
Four year	99⅟₃₂
Five year	98½
Seven year	100⅟₃₂
10 year	100⅟₃₂
30 year	101½

FINANCIAL FUTURES

Further gains

Prices remained firm on the London International Financial Futures Exchange yesterday, encouraged by the strength of U.S. credit markets on Wednesday, where sentiment improved as a result of the easing of the Federal funds overnight rate from Tuesday's very high level, coupled with institutional buying. Gilt futures were quite active, with all trading again concentrated on March delivery. The contract opened at 110-05, and touched a peak of 110-18 twice during the day, before easing to 110-00 at the close, compared with 109-28 previously. The late decline reflected disappointment at the failure of the Chicago Treasury bond to hold on to early gains, and also some concern that next week's UK money supply figures may not be good. Yesterday's announcement of the December unemployment figures had no impact

Three-month sterling deposits showed little movement in dull trading as a result of the lack of change in London money market interest rates. The March contract opened at the highest level of the day at 90.55, and closed at the low of 90.50.

Eurodollar futures opened higher, with March delivery at 89.96, compared with 89.87, continuing Wednesday's trend, but then lost ground as Chicago IMM prices weakened from opening higher levels. The firmer opening in the U.S. reflected a further easing of the Federal funds overnight rate, and helped to push Liffe March to a high of 89.99, only slightly short of the chart support point of 90.00. When it failed to break through this level the price retreated back to close at the day's low of 89.94.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	89.94	89.99	89.94	89.87
June	89.62	89.66	89.62	89.54
Sept	89.37	89.38	89.35	89.27
Dec	89.11	—	—	89.06
March	88.89	—	—	88.81

Volume 2,445 (3,757)
Previous day's open int. 8,849 (8,718)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
March	90.50	90.55	90.50	90.50
June	90.31	90.34	90.31	90.29
Sept	90.09	90.10	90.07	90.07
Dec	89.86	89.98	89.84	89.96

Volume 522 (1,096)
Previous day's open int. 5,106 (5,094)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	110-00	110-18	109-30	109-28
June	109-16	—	—	109-12
Sept	109-03	—	—	108-31
Dec	108-22	—	—	108-18
March	108-09	—	—	108-05

Volume 4,529 (2,680)
Previous day's open int. 2,186 (2,664)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 40 to 54 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4148	1.4180	1.4135	1.4199
June	1.4178	1.4178	1.4175	1.4223
Sept	1.4198	—	—	1.4243

Volume 277 (792)
Previous day's open int. 2,229 (2,366)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3599	0.3615	0.3592	0.3615
June	0.3632	—	—	0.3650
Sept	—	—	—	—

Volume 99 (105)
Previous day's open int. 268 (251)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4525	0.4538	0.4522	0.4542
June	0.4593	—	—	0.4611
Sept	—	—	—	—

Volume 43 (65)
Previous day's open int. 116 (87)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4323	0.4323	0.4310	0.4313
June	0.4364	—	—	0.4354
Sept	—	—	—	—

Volume 18 (46)
Previous day's open int. 197 (208)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-15	70-18	70-04	70-06
June	69-29	70-00	69-18	69-20
Sept	69-12	69-13	69-03	69-03
Dec	68-29	68-30	68-20	68-20
March	68-14	68-15	68-06	68-06
June	68-02	68-02	67-26	67-26
Sept	67-22	67-22	67-15	67-15
Dec	67-12	67-12	67-05	67-05
March	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.86	90.87	90.78	90.79
June	90.53	90.54	90.46	90.47
Sept	90.26	90.26	90.20	90.20
Dec	90.02	90.03	89.95	89.96
March	90.80	89.81	89.74	89.74
June	89.60	89.61	89.55	89.52
Sept	89.40	89.42	89.37	89.33
Dec	89.21	—	89.21	89.14

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.16	90.17	90.06	90.08
June	89.79	89.80	89.70	89.71
Sept	89.47	89.47	89.42	89.39
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	89.73	89.74	89.65	89.66
June	89.41	89.41	89.32	89.33
Sept	89.11	89.11	89.04	89.04
Dec	88.84	88.84	88.80	88.78
March	88.57	88.57	88.53	88.53
June	88.32	88.32	88.30	88.31

STERLING (IMM) $ per £

	Latest	High	Low	Prev
March	1.4130	1.4165	1.4105	1.4190
June	1.4165	1.4195	1.4135	1.4215
Sept	1.4180	1.4210	1.4180	1.4240
Dec	1.4200	1.4230	1.4200	1.4265
March	1.4230	1.4250	1.4230	1.4290

GNMA (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-01	69-05	68-26	68-28
June	68-01	68-05	67-28	67-30
Sept	67-07	67-08	67-02	67-03
Dec	66-15	66-16	66-11	66-17
March	—	—	—	—
June	65-11	65-11	65-06	65-07
Sept	64-29	64-29	64-24	64-25
Dec	64-17	64-17	64-12	64-13

APPOINTMENTS

Lazard senior posts

LAZARD BROTHERS & CO. has appointed Mr J. M. Hignett and Mr J. W. Sillem as executive directors. Mr Hignett resumes his position at the bank following completion of his term as director general of The Panel on Take-overs and Mergers and of the council for The Securities Industry. Mr Sillem was previously an assistant director. Mr M. J. J. Cowan and Mr H. L. Seymour have been appointed directors of Lazard Securities. Mr J. N. Butterwick and Lord Tryon have resigned as directors of Lazard Brothers & Co.

*

Sir Edward Ford has retired from the board of THE LONDON LIFE ASSOCIATION and Dr John Evans has been appointed an executive director. Dr Evans continues to hold the position of divisional manager, marketing and sales.

*

Mr Julian Pierce and Mr Christopher Turton have been appointed vice-presidents at OCEANIC FINANCIAL SERVICES, based in London.

*

CLARKE NICKOLLS AND COOMBS has appointed Mr Richard J. L. Mais as managing director. Mr G. S. (Bob) Morrison, a main board director since 1951, will be retiring in May. Mr Eric Lyall becomes non-executive deputy chairman. Mr James Mathieson continues as chairman but will give up executive responsibilities in June.

*

Mr Fu Chee Cheng, a representative of Magnum Corp. has joined the board of PHICOM as an executive director.

*

Mr Roger Byatt has been appointed senior international executive of NATIONAL WESTMINSTER BANK'S corporate financial services region, international banking division. He succeeds Mr Bob Currie who becomes deputy regional general manager (marketing), Europe region. Mr Byatt was senior manager and head of energy section, corporate financial services.

*

Mr A. L. R. Morton has joined the board of BURGESS PRODUCTS (HOLDINGS) as a non-executive director.

*

ORION ROYAL BANK has appointed Mr Michael J. Brookes as manager investment services, a new position. He has also been appointed an associate director of Orion Royal Bank (Guernsey).

*

Mr H. N. Hargreaves has been appointed marketing director of HAMWORTHY ENGINEERING, marine and industrial engineering subsidiary of Powell Duffryn. He joins from the Delta Group, where he was chief executive of British Electrical Repairs, a Delta subsidiary engaged in the repair of electrical motors.

Mr John N. Maltby, executive chairman of Burmah Oil, has joined the board of J. BIBBY AND SONS, as a non-executive director.

*

Mr J. L. Stace has been appointed to the board of DONNER UNDERWRITING AGENCIES. Mr J. P. H. Harrison and Mr M. Meyer have been appointed to the board of RD UNDERWRITING AGENCIES.

*

As a result of restructuring and organisational changes within the group, new appointments and promotions have been made within the DOLLOND AND AITCHISON GROUP: Mr Brian D. Keefe is appointed a director on the main board of Dollond and Aitchison Group, with specific responsibilities as optical controller for the branch operations division. Mr Victor C. Howitt is appointed chairman of two of the regional boards within Hamblin Wigmores. Mr David E. Vince is appointed managing director of the newly formed group purchasing and supply company. Mr Donald Lugton becomes deputy chairman of three Dollond and Aitchison regional boards, "City," "London" and "South and West." Mr Peter M. Coldwell joins the board of Dollond and Aitchison as an assistant managing director. Mr Michael Kloet is appointed personnel director. Mr Peter H. Wilson is appointed director of development and planning. Mr S. J. Rowland, the group's deputy chairman, becomes chairman of Wesley Jessen (UK) contact lens manufacturing division. Mr Michael W. Bateman is appointed deputy chairman and continues as managing director.

*

Mr P. D. Bhalla and Mr A. E. Steel have been appointed directors of BAXTER FELL METALS.

*

Mr Eddie Finden, technical director of MODAIRE, Bedford-based construction group, has been promoted to joint managing director.

*

Mr Roger D. Barnes has been appointed operations director with PLESSEY RADAR at Cowes, IOW. He is a former graduate trainee with the Plessey Company and joins the group from GEC Avery-Hardoll, Havant, with whom he had been works' director.

*

Mr M. D. O'Keeffe has joined DEVITT (BLOODSTOCK) as a director. Mr D. R. C. Johnson has been appointed an assistant director.

*

Mrs Rosemary Day, director of administration, London Transport Executive, and Miss Katharine Whitehorn, associate editor on The Observer, have become directors of NATIONWIDE BUILDING SOCIETY.

INTERNATIONAL CAPITAL MARKETS

EUROBONDS

Issues firm as market stages minor rally

By Mary Ann Sieghart in London

THE EURODOLLAR bond market staged a minor rally yesterday with prices of seasoned bonds rising by up to ½ point in active turnover following the New York market's lead the night before.

Prices of new issues firmed too. Macy's $100m, 7¾ per cent deal, for instance, rose ⅜ point to close at a ⅞ point discount.

But the rally did not lead to a flood of new bonds. The only new issue was a $50m, seven-year, 12 per cent deal for the Rural and Industries Bank of Western Australia. It is guaranteed by the Government of the State of Western Australia, which gives it a better credit rating, and is led by Orion Royal Bank and Morgan Guaranty. Like most other straight issues from banks, the proceeds will be swapped for floating rate dollars.

Many borrowers are said to be waiting in the wings to tap the straight dollar market, and Murata Manufacturing will apparently launch a $100m convertible at the beginning of next week.

In Switzerland, Mitsubishi Electric is raising SwFr 200m through a five-year convertible private placement with an indicated coupon of 2½ per cent. UBS will price the deal next Thursday.

Japan Medical Supply Company is also doing a convertible private placement. It is raising SwFr 40m through a five-year bond with an indicated yield of 2⅝ per cent. Citicorp Bank (Switzerland) is lead manager.

Despite the strong dollar, secondary market prices in Germany rose by about ⅛ point in good turnover. In Switzerland, prices edged up slightly in an active day.

BHF Bank bond average

Jan 5		Previous
98.226		98.120
High	1984	Low
98.306		98.120

Trading in Cascade suspended

By Michael Thompson-Noel in Sydney

AUSTRALIA'S National Companies and Securities Commission (NCSC) yesterday suspended trading in Tasmania's Cascade Brewery for the second time in two weeks.

It claimed that the market was "insufficiently informed" as to the motives of Industrial Equity (IEL), whose offer of A$5.34 a share values Cascade at A$44.3m ($39.9m).

IEL said later that it planned to continue purchasing shares on-market at A$5.34 each until it had won 50 per cent of Cascade's capital, or until January 20, or until the withdrawal of either of the rival takeover offers by B. Seppelt (a wine maker) and C.C. Bottlers (a soft drinks group) of Adelaide.

The Adelaide companies had said yesterday that Cascade shareholders "should not be panicked into hasty action by suggestions that IEL will withdraw its offer."

Mr Russell Goward, IEL's deputy general manager, said later that all the cards were now on the table.

The NCSC is expected to lift the suspension this morning. IEL has 21.1 per cent of Cascade's capital, against the 27 per cent held by its co-rivals.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 5.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11¼ 90	100	101	101½	+0⅜	+0⅛	10.96
Australia Comm 11½ 95	300	97	97½	+0⅛	+0⅝	11.93
Australia Comm 11⅝ 98	100	97¼	97¾	+0½	+0½	11.98
Bank of Tokyo 11 90	100	94½	95	+0¼	+0⅛	12.22
Bank of Tokyo 11⅞ 90	100	98	98½	+0⅛	-0⅛	12.28
British Col Hyd 10¾ 88	200	96	96½	+0¼	+0⅛	11.39
Britoil Fin 11⅞ 90	125	99¼	99¾	+0⅛	0	11.95
Canada 10⅞ 88	500	98⅞	99⅜	+0⅛	+0⅛	11.10
C.C.C.E. 12⅝ 95	75	99⅜	99⅞	+0⅜	+0½	12.66
C.I.B.C. 11 90	75	92⅛	92⅞	-0⅛	0	12.76
Citicorp O/S 10⅝ 90	100	91⅛	91⅝	+0⅜	+0⅛	12.38
Citicorp O/S 11¾ 90	100	97¾	98¼	0	+0⅜	12.17
Cred Suisse BAH 10½ 90	150	98½	99	+0⅛	0	10.77
Den Norsk Cred 11¼ 93	50	92½	93	+0¼	+0⅛	12.58
Denmark Kingdom 12¼ 93	100	97	97½	+0⅛	+0½	12.75
E.C.S.C. 11⅞ 90	75	99⅛	99⅝	+0⅜	+0½	11.98
E.D.F. 11⅛ 93	100	92¼	92¾	+0½	+0⅝	12.58
E.E.C. 11 87	350	98¾	99¼	+0⅜	+0⅝	11.31
E.E.C. 12 93	50	98⅞	99⅜	+0⅝	+0⅝	12.15
E.I.B. 10¾ 93	200	91¼	91¾	+0⅜	+0⅜	12.38
E.I.B. 11 91	125	94½	95	+0¼	+0⅞	12.12
E.I.B. 11½ 90	200	97⅛	97⅝	+0⅜	+0½	12.07
Exportfinans 11½ 90	100	96⅛	96⅝	+0¼	+0⅛	12.29
Electrolux 10½ 90	50	92⅝	93⅛	+0¼	+0⅝	12.13
Fuji Int Fin 10⅞ 90	100	93	93½	+0¼	+0⅛	12.44
GMAC O/S Fin 11⅞ 90	100	100⅜	100⅞	+0⅛	+0⅛	11.21
Honeywell Int 10¾ 90	100	96⅛	96⅝	+0⅜	+0⅜	11.57
IC Indust Fin 11⅞ 98	75	96½	97	+0⅜	+0⅜	12.36
Indust Bk Japan 11⅞ 91	100	98¾	99¼	+0⅜	+0¾	12.08
ITT Finance 11½ 89 WW	125	99½	100	+0¼	+0⅜	11.55
Japan Air Lines 10⅞ 98	42	91½	92	+0¼	+0⅜	12.09
Japan Air Lines 11 93	75	94	94½	+0⅜	+0¼	12.82
J.C. Penney 11⅞ 90	100	101	101½	+0⅛	+0⅜	11.57
J. P. Morgan 11⅜ 90 WW	150	97½	98	+0⅛	+0½	11.65
Levi Strauss Int 11 90	75	96½	97	+0¼	+0⅜	11.71
L.T.C.B. 10¾ 90	100	92⅞	93⅜	+0⅛	+0¼	12.33
L.T.C.B. 12½ 90	85	101⅛	101⅝	+0⅛	+0⅛	12.18
Merrill Lynch 10⅝ 90	200	94⅜	94⅞	+0¼	+0½	11.85
Mitsubishi Fin 11⅜ 90	100	95¼	95¾	+0½	+0¾	12.39
Nippon Credit 11 90	100	93⅝	94⅛	+0¼	+0½	12.42
Nippon Credit 11⅞ 90	100	97⅛	97⅝	+0¼	+0⅛	12.45
Ontario Hydro 10¼ 90	250	93¾	94¼	+0⅛	+0⅜	11.60
Ontario Hydro 11¾ 90	200	100⅜	100⅞	-0⅛	-0⅛	11.58
Pacific Gas & Elec 12 91	75	102⅜	102⅞	+0⅜	+0¼	11.45
P.K. Banken 12 90 WW	75	96½	97	+0¼	+0⅛	12.72
Prudential 10⅛ 93 WW	150	94⅝	95⅛	+0¾	+1	10.98
Prudential 10¼ 93 XW	150	90¼	90¾	+0⅜	0	11.79
Quebec Hydro 11½ 92	100†	97⅞	98⅜	+0½	+1	11.84
Sears O/S Fin 11½ 88	125	101⅜	101⅞	-0⅛	-0⅜	11.04
Sears O/S Fin 11⅝ 93	150	98¼	98¾	-0⅛	+0⅛	11.87
Sth Cal Edison 10½ 90	75	95¾	96¼	+0¼	+0⅜	11.39
Sumitomo Fin 10⅞ 90	100	92⅞	93⅜	+0⅜	+0⅜	12.46
Texaco Capital 10½ 93	200	94⅝	95⅛	0	+0¼	11.38
U.B.S. 10 88	100	97⅞	98⅜	+0⅛	+0⅜	10.53
World Bank 11¼ 88	100	99⅝	100⅛	+0¼	+0½	11.24
World Bank 11¼ 90	200	96⅝	97⅛	+0⅜	+0¾	11.92
World Bank 11½ 90	150	97¾	98¼	+0⅜	+0¾	11.92
World Bank 12 93	200	99¾	100¼	+0⅜	+0½	11.97

Av. price changes: on day −¼, on week −⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	100	97⅜	97⅞	+0¼	-0⅛	8.67
A.N.A.S. 8½ 91	150	97⅞	98⅜	+0⅛	+0⅛	8.87
Arab Banking Corp 8 88	100	95⅝	96⅜	+0⅛	+0⅛	8.89
Asian Dev Bk 8½ 93	200	100	100½	0	+0⅛	8.45
Austria, Rep 7⅝ 89	100	100⅝	101⅛	+0¼	0	7.41
Avon Int Fin 7½ 93	100	101	101½	+0⅛	+0⅛	7.39
Barclays O/S 8⅛ 98	250	98⅞	99⅜	+0⅛	+0⅜	8.23
Beatrice Foods 7¾ 93	130	102¾	103¼	+0⅛	0	7.30
Dresdner Finance 4 90 XW	250	83¾	84¼	0	+0¾	7.17
E.C.S.C. 8 90	160	100½	101	0	-0⅛	7.83
E.E.C. 8¼ 93	250	99¾	100¼	0	+0⅛	8.24
E.I.B. 8 93	200	98⅝	99⅛	+0⅛	0	8.15
Eurofima 7½ 90	100	100⅜	101⅜	-0⅛	+0⅛	7.26
Europarat 8¼ 93	150	99¾	99⅞	-0⅛	0	8.30
Finland Rep 8 90	150	99⅛	99⅝	+0⅛	+0⅛	8.11
I.A.D.B. 8¼ 93	150	97½	98	+0⅛	+0⅛	8.58
Int Standard Ele 7⅜ 90	100	99¼	99¾	+0⅛	+0⅛	7.47
Int Standard Ele 7¾ 93	100	101⅝	102⅛	-0⅛	-0¼	7.46
Ireland 8⅝ 91	150	99⅞	100⅜	+0⅜	+0¼	8.59
Japan Dev Bank 7½ 90	100	100¼	100¾	0	+0½	7.39
L.T.C.B. 8 90	100	101	101½	0	+0⅛	7.74
S.N.C.F. 8⅛ 93	100	100	100½	-0⅜	-0⅜	8.08
VEBA Int Fin 4 93 WW	300	114¾	115¼	+3¼	+7½	2.38
VEBA Int Fin 4 93 XW	300	74⅞	75⅜	+0⅜	+1⅜	7.66
World Bank 7⅞ 89	300	99⅞	100⅜	0	0	7.83
World Bank 8 93	300	98⅞	99⅜	+0¼	+0¼	8.13

Av. price changes: on day −⅛, on week −⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7¼ 91	57	78¼	78½	−1¼	−0½	11.50
Bank of Tokyo 6 91	100	102½	102¾	−0¼	−0	5.56
Bergen, City of 5¾ 95	40	101½	101¾	0	+1	5.55
Denmark 6⅜ 91	100	103¾	104	−0¼	+0¾	5.72
E.E.C. 6 93	100	102	102¼	+0¼	+0½	5.71
Europarat 6⅛ 93	100	98¾	99	0	+0¼	6.28
Ind Fund Fin 6¼ 91	40	101½	101¾	+0½	+0½	5.97
Int-Am Dev Bk 6 93	100	99⅛	99⅜	−0⅛	+0⅜	6.10
Ireland 6½ 93	80	99⅞	100⅛	−0⅛	−0⅛	6.50
Japan Dev Bank 5⅞ 93	100	102⅝	102⅞	+0⅜	+0⅝	5.50
Jap Highway Pub 5⅝ 91	100	100¾	101	0	+0¾	5.48
Kansai Ele Power 6 91	100	102¾	103	−0¼	+0½	5.51
Kawasaki Steel 6⅛ 91	100	101⅝	101⅞	+0½	+1⅛	5.82
Manitoba Prov 5½ 93	100	101⅝	101⅞	−0⅜	+0⅝	5.26
Mont Blanc Tunl 6⅝ 93	35	102½	102¾	−0¼	−0⅛	6.01
Mount Isa Finance 6 93	100	102	102½	−0⅞	−0¾	5.68
MTG Bk Denmark 6¼ 91	80	101¾	102	−0¼	+2	5.94
New Brunswick 5¾ 93	100	102¾	103	+0¼	−0⅛	5.36
Nippon Tel & Tel 5¾ 93	100	103⅛	103⅜	+0⅛	+0⅝	5.32
Nisshin Steel 6¼ 91	100	102¼	102½	0	−0¼	5.85
Osterr Post 6⅛ 91	100	103½	103¾	+3¼	−0½	5.51
Quebec Province 5⅝ 93	100	100½	100¾	0	+0½	5.54
Shikoku Elec Power 6 91	100	103⅛	103⅜	+0⅛	−0⅜	5.48
Sumitomo Heavy Ind 6 91	100	103	103¼	−0½	+1	5.49
Tokyo Elec Power 5⅞ 91	100	102¾	103	−0¼	−0¼	5.48
Trizec Corp 6⅛ 93	100	101⅜	101⅝	+0⅛	−0⅛	5.91

Av. price changes: on day 0, on week −⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106¾	107¼	+0¼	+0⅜	7.56
E.I.B. 8¼ 92	15	103⅜	103⅞	+0½	+0¼	7.64
Int-Am Dev Bk 7⅞ 93	15	100⅝	101⅛	−0⅛	+0⅛	7.74
New Zealand 7⅝ 89	15	103½	104	+0⅛	+0¼	6.88
World Bank 7⅝ 93	20	101	101½	+0⅛	+0⅛	7.44

Av. price changes: on day −⅛, on week −⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	125	97⅝	98⅛	−0⅛	−0⅞	12.38
E.I.B. 12¼ 91 CS	80†	97¼	97¾	+0⅛	0	12.83
Loblaw 12½ 90 CS	35†	97⅞	98⅜	0	+0⅛	12.92
Montreal City of 12 90 CS	50†	97½	98	0	0	12.49
Quebec Hydro 12¾ 93 CS	50†	102	102½	+0⅛	+0½	12.31
Royal Trstco 12⅝ 88 CS	50†	101⅛	101⅝	−0⅛	−0⅜	12.21
World Bank 12¼ 90 CS	75†	100¼	100¾	0	−0¼	12.11
E.E.C. 11 93 ECU	50	101⅞	102⅞	0	−0⅞	10.80
Genfinance 11 90 ECU	60	99½	100½	0	0	11.08
Algemene Bank 8¾ 88 Fl	150	103¼	103¾	+0⅛	+0⅜	7.80
Bank Mees & Hope 9 88 Fl	75	103⅝	104⅛	+0⅛	+0⅛	7.96
Elec Sup Brd 8¼ 88 Fl	75	97¼	97¾	0	0	8.44
P.H.P. 8¾ 88 Fl	50	102⅝	103⅛	−0⅛	+0⅜	7.98
Swed Exp Cred 7¾ 88 Fl	100	97⅛	97⅝	−0⅛	+0⅛	8.50
World Bank 9 88 Fl	100	103⅛	103⅝	+0⅛	−0⅛	8.02
O.K.B. 14 86 FF	400	100⅞	101⅞	0	0	13.15
Solvay & Cie 14⅝ 86 FF	200	101¾	102¾	−0¼	−0⅜	13.42
B.F.C.E. 11½ 88 £	50	99¼	100	+0⅛	+0⅛	11.57
British Oxyg 11¾ 91 £	50	100⅜	101⅛	+0⅛	0	11.56
CEPME 11¼ 95 £	35	104	105	0	+0¼	10.53
CIBA-Geigy Int 6⅝ 93 £	25	98½	99½	+0⅛	−2⅜	6.88
Commerzbank 11½ 90 £	25	97⅛	97⅞	−0⅛	−0⅛	12.04
E.E.C. 11⅞ 91 £	50	100¾	101½	+0⅛	+0⅛	11.82
E.E.C. 11⅞ 93 £	50	101	101¾	+0¼	+0⅜	11.81
Fin For Ind 10½ 90 £	20	94⅞	95⅝	+0⅛	−0⅛	11.58
Finland Rep 11⅞ 88 £	50	100½	101¼	+0⅛	0	11.50
Gen Elec Co 12½ 89 £	50	103⅞	104⅞	+0¼	+0⅛	11.31
I.I.I. 10¾ 93 £	25	95	95¾	+0¼	0	11.55
I.I.I. 11½ 91 WW £	50†	99¾	100¾	+0¼	+1	11.44
Norsk Hydro 12 90 £	30	100⅞	101⅝	+0¼	+0⅛	11.80
Sweden 11¼ 83 £	50	98⅛	98⅞	0	0	11.48
Swed Exp Cred 11¼ 88 £	30	98⅝	99⅜	+0⅛	+0⅜	11.50
World Bank 11⅛ 88 £	100	99	99¾	+0¼	0	11.27
Eurofima 10 91 LuxFr	600	99⅛	100¼	0	+0⅞	10.04
Europarat 10¾ 93 LuxFr	600	100¼	101¼	0	0	10.60

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95 §	0⅛	98¼	98½	8/6	10.31	10.48
Banco di Roma 5¼ 90	0¼	99⅞	100⅛	7/6	10½	10.50
Belgium 5 2004	0⅛	99	99¼	9/1	5	5.04
Bk of New Yk 5¼ 98 §	0⅛	99⅜	99⅝	12/1	5¼	5.28
C.C.F. 5¼ 95	0¼	99⅝	99⅞	7/4	9.94	9.96
C.C.F. 5¼ 88 §	0⅛	99⅝	99⅞	24/3	10.18	10.21
CEPME 5¼ 88 WW †	0⅛†	99¾	100	3/3	10.31	10.33
C.N.C.A. 5¼ 95 XW	0¼	99⅞	100⅛	7/6	10½	10.50
C.N.T. 5¼ 91	0¼	99⅝	99⅞	6/5	10.19	10.21
Credit Foncier 5¼ 93	0¼	99¾	100	6/4	10	10.01
Credit Lyonnais 5⅛ 97	0¼	99¾	100	1/4	10	10.01
Denmark 5¼ 90 §	$\frac{3}{16}$	99½	99¾	13/4	10	10.04
Dresdner Fin 5⅛ 93 XW §	0¼	100	100¼	19/4	9.94	9.93
EAB Fin 5 93 §	0⅛	100⅛	100⅜	20/6	10.69	10.66
E.D.F. 5⅛ 95 XW	0⅛	99⅞	100⅛	10/2	11⅜	11.38
E.E.C. 5 90	0⅛	99¾	100	5/1	10.19	10.20
Ex Int 5¼ 96	0⅛	98	98¼	21/6	10.81	11.02
Fst Interstate 5¼ 95 §	0⅛	98⅞	99⅛	8/3	9.94	9.99
Fuji Int'l 5¼ 96 §	0⅛	99¾	100	12/1	5¼	5.28
GZB 5⅛ 96	0⅛	99⅝	99⅞	29/5	10.19	10.21
Hispano 5¼ 95	0¼	98¼	98½	20/4	10	10.17
Nat Bk Canada 5⅛ 91 §	0⅛†	98⅞	99⅛	5/1	5⅛	5.33
Santama Int 5¼ 93	0⅛	100	100¼	5/6	10.12	10.18
Soc Generale 5¼ 90 XW	0¼	99¾	100	9/5	10.31	10.33
Sweden 5¼ 2003 §	0¼	99⅝	99⅞	17/5	10.19	10.21

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	142½	143⅝	−0½	4.38
Canon 7 97	7/82	688.2	248½	251½	+4	1.74
Daiwa Sec Co 5½ 98	10/83†	481.8	99	100½	−0½	−3.05
Fanuc 3¾ 98	1/84	9142	124⅞	126⅛	+3⅜	11.35
Hitachi Cable 5¼ 96	2/82	515	124¾	126¼	−1⅛	−1.73
Honda Motor 5¼ 98	6/83	884	133⅝	134⅝	+0½	4.11
Honda Motor 5½ 97	3/83	759.6	151½	153	+1	1.98
Konishiroku Photo 4 98	10/83	673	103¾	104⅞	+0⅜	7.69
Kyowa Hakko 6¼ 97	2/83	762	117¾	118⅞	+5¾	10.83
Minebea Co Ltd. 5½ 98	5/83	667	115⅝	116⅝	+3¾	3.24
Mitsubishi Electric 5¼ 98	6/83	396	113⅝	114⅝	+0¾	3.52
Mitsubishi Heavy 4⅞ 99	1/84	253	108¾	109¾	−0¾	0.54
Nippon Electric 5¼ 97	2/82	765.9	188⅝	190⅞	+0⅛	−0.10
Nippon Oil Co 5½ 98	4/83	964	117⅞	118⅜	+2	7.34
Nissan Motor 5⅝ 98	4/83	708	111½	112½	+1⅞	2.95
Olympus Optical 6⅜ 97	12/82	1157	117⅝	118⅞	+2⅜	10.82
Orient Leasing 5¼ 98	6/83	2980	96⅛	97⅛	+5	4.83
Secom 5 98	11/83	2920	158½	160	+0½	6.89
Yamaichi Sec Co 5 98	6/83	449.5	99	100	+0¾	−2.16
Yamanouchi Pharm'cal 4 90	10/83	1888	103⅝	104⅝	+0⅛	26.33
Bridge Oil 4⅞ 93 SF	3/84†	3.43	109½	111½	−0½	21.05
Settsu Paper 3⅝ 93 SF	9/83†	716	103⅛	105⅛	+0⅛	14.05
Asics 5 92 DM	12/83	528	118⅞	119⅞	+1	5.39
Konishiroku 6⅜ 88 DM	8/82	616	122	123	−0½	−3.89
Sun Realty 6¼ 92 DM	2/83	365	133⅞	134⅞	−1⅝	−8.76

* No information available-previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cn. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

الشكرا عن التعلق

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WORLD NEWS

Tunisia cancels food price rises

Tunisian President Habib Bourguiba yesterday cancelled food price rises which had sparked week-long riots in which more than 50 people died. The increases would have doubled the price of bread.

A state of emergency was declared on Tuesday, but after the announcement thousands of Tunisians swarmed on to the streets chanting "Long live Bourguiba" and fraternising with the soldiers. Back Page

PM joins rates battle

Mrs Thatcher intervened in the row over proposed rate-capping legislation to stress the Government's determination to press ahead with it. Back Page

UN censure

For the second time in 18 days the UN Security Council censured South Africa for its attacks in southern Angola and demanded the immediate withdrawal of its troops.

Falklands hint

Argentine president Raoul Alfonsin welcomed Mrs Thatcher's comments about lifting the Falklands military exclusion zone but made clear his displeasure over the sovereignty issue. Page 2

MPs on short list

Former Labour MPs Tony Benn and Philip Whitehead are front runners for selection as the Labour candidate in the Chesterfield by-election. Page 3

Communists expelled

Poland's ruling Communist Party said it had expelled about 8,000 members and admitted 5,000 new ones since October.

Carlos writes a letter

West German handwriting experts identified international terrorist Carlos as the author of a letter claiming responsibility for two New Year's Eve bomb attacks in southern France.

Shamir slips in poll

An Israeli opinion poll found the opposition Labour party would win 57 Knesset (parliament) seats while Premier Yitzhak Shamir's party would win 41.

Multi-satellite launch

Soviet news agency Tass said a single carrier rocket had successfully launched eight research satellites.

Politician arrested

Palermo police arrested the vice-president of Sicily's regional council on suspicion of Mafia involvement.

Minister escapes

Friends of former Nigerian Transport Minister Umaru Dikko, a wanted man under the new military regime, said he had escaped to London.

Hunger striker interned

A Soviet Jewish woman on hunger strike for the right to emigrate to Israel was interned in a psychiatric hospital, dissident sources said.

Search for sculptures

Livorno town council approved a £22,695 dredging operation to search for sculptures thrown into a canal by Italian artist Amedeo Modigliani.

BUSINESS SUMMARY

GEC-Hitachi to produce portable TV

GEC-HITACHI plans to produce portable 14 in and 16 in screen television sets as part of a restructuring scheme at its plant in Hirwaun, South Wales. The scheme will involve about 260 redundancies.

The plant produces 20 in and 22 in screen televisions. The smaller product is aimed at a third of the colour TV market, estimated at 3.1m sets a year. Page 4

BRITAIN'S rating in the international productivity and competitiveness league continues to fall. The Geneva-based European Management Forum has placed the country 14th out of 22 OECD states compared with 13th last year and 12th in 1982. Japan and Switzerland continue to lead the field. Back Page

U.S. UNEMPLOYMENT rate fell to 8.2 from 8.4 per cent last month, the lowest level in more than two years, the Labour Department said. More than 9m people are out of work, compared with 12m at the worst point of the recession. Page 2

RUPERT MURDOCH has indicated publicly for the first time that he may try to win control of the troubled Warner Communications group. Page 23; Feature, Page 14

ALUMINIUM values advanced strongly on the London Metal Exchange this week, reflecting the fall in sterling and a renewal of speculative buying triggered off by the rise in zinc. Three months aluminium ended the week £36.75 up at £1,515.5 a tonne. Page 21

TEXTILES: Cotton and synthetic fibre production showed a 5 per cent increase in the third quarter of last year over the preceeding three months, according to the Textiles Statistics Bureau. Page 4

TAX STAFF brought an unprecedented High Court writ against the Government in order to prevent the Inland Revenue from suspending them for refusing to operate new Pay-As-You-Earn computer equipment. Back Page

MINEWORKERS union came under growing pressure to hold a national ballot on continuing its overtime ban when Durham coalfield pit winders threatened to end the action if no vote were held. Page 4

PLYMOUTH NAVAL dockyard, Britain's biggest, is to cut its 13,500 workforce by 700 over the next four years, the Ministry of Defence said, as part of a drive to reduce public service manpower. Page 3

CARS: Sales of imported cars passed the 1m mark for the first time in 1983, with U.S. multinationals Ford and General Motors leading the field. The Japanese also had a record year for volume sales in Britain. Page 3

PEUGEOT, the French motor group, put at FFr 8m (£660,000) the cost of damage to its Talbot plant at Poissy during Thursday's clashes between workers. Page 2

LEVI STRAUSS, the world's biggest clothing manufacturer, reported a 54 per cent rise in profits for the year to November 30 to $194.5m (£138.2m). Page 23

Joseph urges higher standards for schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CURRICULUM "clutter" was attacked yesterday by Sir Keith Joseph, Secretary for Education and Science. He urged fundamental changes to raise pupils' levels of knowledge and skill across a wider and more useful range of studies.

Teachers must be expected to get at least 80 to 90 per cent of all 16-year-olds up to the educational standards currently attained by only half of them, he told the North of England Education Conference in Sheffield.

Sir Keith cannot impose his "bold and ambitious" plan on state schools — which are run by local authorities — but he stressed that the changes were a precondition of the education service's getting more money in real terms from the Government. He also emphasised that the plan's success depended on active support by employers and parents.

There was not yet even broad agreement within the service on what its objectives should be, he said. They must now be defined in explicit terms which could be accepted and striven for by everyone in education.

The school-leaving exams, especially at 16-plus, were to be reconstructed so that the grades awarded would measure candidates' performances against absolute standards of attainment.

Present exams mostly failed to pinpoint what pupils knew or could do, because the grades were determined primarily by statistical rules which measured each candidate's performance relatively against the performances of the competing candidates. Awarding grades in terms of statistical averages tended to lead teachers and children to expect half of the pupils to do more or less badly.

"High expectations based on defined objectives motivate pupils to give of their best, and help teachers to develop pupils' potential more systematically," Sir Keith said. It was a realistic aim to bring at least 80 to 90 per cent of all pupils up to the sort of level now expected of only half.

There must be explicit minimum levels of attainment for all children in English, mathematics, science, history, and craft and technology. Academically able pupils, who should be expected to learn the practical skills of designing and making things no less than weaker scholars, should also have to raise their achievement.

"The curriculum needs to accord more than it does now with four principles—breadth, relevance, differentiation and balance," the Education Secretary declared.

It should be broad in developing personal qualities, including a disciplined attitude to society as well as knowledge and skills across the full range of basic studies.

"The curriculum should be relevant to the real world and to the pupils' experience of it. Judged by that test, the (educational) inspectorate's reports show that much of what many pupils are now asked to learn is clutter.

Continued on Back Page

Banks raise mortgage rates

BY MARGARET HUGHES

THE MIDLAND BANK yesterday raised the mortgage interest rate charged to new borrowers by half a percentage point to 11.25 per cent. Lloyd's Bank, returning to the mortgage lending market after an absence of more than six months, increased its rate to new customers by three-quarers of a point to 11.75 per cent.

The Midland also increased the total allocated to mortgage lending from £200m last year to £500m for 1984. Lloyds has budgeted for £250m in mortgages his year.

Both banks stressed that existing borrowers' rates were not affected.

The building societies, which last year lent about £19.5bn in mortgages, said that the bank increases would not affect their thinking on mortgage rates. The move does, however, make the recently mooted drop in rates even less likely.

Leading societies said yesterday that they welcomed the prospect of a return by the banks to mortgage lending but hoped that this time they would remain a constant rather than an erratic force.

Midland, which since last summer has provided the cheapest mortgages, is increasing its lending rate to 11.25 per cent or 11.7 per cent on an annual percentage rate (APR) basis.

The rate on endowment mortgages is also being increased by half a point to 12.25 per cent or 12.8 per cent APR.

COMPARATIVE RATES

	Basic rate %	ARP %
Building societies	11.25	12.00*
Barclays	11.00	11.50
Lloyds	11.75	12.50
Midland	11.25	11.70
NatWest	11.00	11.80
TSB	11.00	11.80

* Approx.

Variations in ARP depend on method of interest rate computation.

The Lloyds APR is 12.5 per cent. This makes its mortgages the most expensive among the banks. It is also higher than the basic rate charged by building societies, although Abbey National, Halifax, Leeds Permanent and most of the smaller societies charge rates which vary according to the size of the mortgage. Only the Woolwich and Nationwide charge 11.25 per cent on all mortgages, irrespective of size.

Lloyds has also tightened up its criteria for lending. It has increased the minimum mortgage it will lend from £5,000 to £15,000 and introduced a maximum of £100,000 per mortgage. In addition it will only lend two and a half times the applicant's annual salary.

Lloyds has also introduced an arrangement fee of £2 per £1,000 with a minimum charge of £100. The rate charged on endowment mortgages now will be 12.75 per cent, or APR 13.7 per cent.

The Midland is not changing its lending criteria. National Westminster which has stayed in the market when other banks cut their mortgage lending in the early part of last year, now lends about £80m to £90m a month and has said that it expects to maintain this level for this year. To date it has lent a total of just under £1bn in mortgages.

Barclays Bank is currently lending at the rate of £50m a month—double the rate of six months ago—but has no plans to step up its allocation further. Barclays has so far lent over £2bn in mortgages.

Last year Lloyd's lent a total of £450m and £966m in 1982.

By limiting its allocation to £250m in the coming year and tightening the criteria for lending, Lloyds is not about to become the force it once was in the mortgage market. Midland, however, which has always maintained the smallest presence in the business is stepping up its allocation from £300m to £500m this year. It will be lending an average of £40m a month compared with £10m a month in the first half of last year and £15m a month since last August. At its peak in 1982 it lent £600m.

Tax warning on new gilt unit trusts

BY ERIC SHORT

THE AUTHORITIES have moved swiftly to clamp down on tax abuses which could arise with the new style of authorised gilt unit trusts now appearing on the UK savings market.

A warning that the Inland Revenue may impose heavy taxes on all profits is contained in a letter to the Unit Trust Association by the Department of Trade and Industry which is responsible for monitoring the activities of the unit trust business.

Companies offering the unit trusts include Prudential, Allied Hambro and Abbey Unit Trust Managers.

The new style trust aims to achieve a high rate of capital growth at the expense of dividend yield.

The unit trust groups hope some of the £1bn invested in offshore roll-up funds will be switched to these new style trusts now that these roll-up funds have lost their tax advantage.

To achieve the required investment return, fund managers have to pursue a very active investment policy, switching their holdings to minimise dividend payments and maximise capital gains.

This can involve buying and selling the same stocks over very short periods and turning over the portfolio in a few weeks.

The Revenue has long been wary of gilt fund managers who follow an active trading policy. It feels gilts should be bought to be held for some time in funds which receive special tax treatment.

Unit trusts are in a favourable category. Investment income, with certain constraints, is free of Capital Gains Tax and subject only to 30 per cent tax on income. The investor pays Capital Gains Tax when he sells his units.

But if the Revenue considers that a fund manager is simply dealing in gilt stocks, then it has the right to tax the fund as a trader, in the same way as it levies charges on discount houses, and charge 52 per cent Corporation Tax on all profits, both income and capital gains.

The department's letter draws the association's attention to this feature and the association has circulated the letter to members. It will be considering its response at its next council meeting.

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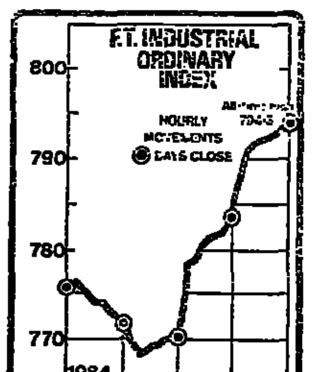
Surge in share prices continues

By Ray Maughan

THE SURGE in share prices around the world continued yesterday as most leading financial centres took fresh encouragement from the bullish lead set by Wall Street over the previous two days.

London, Tokyo and Frankfurt set records although Wall Street, after a near 30 point rise over the Wednesday and Thursday trading sessions, was showing a rise of only 2.2 in the Dow Jones Industrial Average at 1,284.44 by 1.00 pm.

The Commerzbank Index of 60 shares took Frankfurt to



1,063.6 while in Tokyo the Nikkei Dow Jones index finished at 9,961.25, up from 9,946.86 on the previous day.

In London, the FT Industrial Ordinary Index, the barometer of 30 leading shares, began to test 800, its next major hurdle, with a 10.7 rise to 794.2. Dealers reported strong, if rather more selective, institutional buying in large blocks of shares.

The value of shares traded on Thursday, when the FT Industrial Ordinary gained 13.3, climbed to £326.7m from £205.6m on the previous day.

The index has added 50 points in the past month and 100 since May last year.

The FT Actuaries All-Shares Index, made up of 750 shares, climbed from 477.44 to another peak of 483.63.

Meanwhile, the dollar continued its record-breaking climb, rising to new highs against sterling, the French franc and Italian lira, and another 10-year peak against the the D-mark.

Foreign exchange dealers

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Texaco in $9.9bn bid for Getty Oil

BY WILLIAM HALL IN NEW YORK

TEXACO, the international oil company, has joined the biggest takeover battle in U.S. corporate history with an offer valuing Getty Oil at $9.9bn (about £6.6bn).

In a surprise move early yesterday morning Mr John McKinley, Texaco's chairman, announced that his company had signed an agreement with the J. Paul Getty Museum to purchase its entire 11.8 per cent stake in Getty for $125 a share in cash.

The agreement was disclosed only two days after Pennzoil, a medium-sized U.S. oil company, and the Sarah C. Getty Trust, which owns 40.2 per cent of Getty, agreed to take over the the company. It offered Getty's public shareholders and the J. Paul Getty Museum $110 a share cash with the promise of at least another $5 a share cash within the next five years.

Wall Street analysts had valued the package, agreed by the two biggest shareholders and Getty Oil itself, at $112.50 a share, making Getty's 79.1m shares worth $8.9bn.

Getty Oil, one of the top six U.S. oil companies in terms of its domestic U.S. oil reserves, has long been considered a prime takeover candidate.

It has not performed particularly well in recent years and in the past few months has experienced a bitter boardroom struggle between its management and Gordon P. Getty, sole trustee of the Sarah C. Getty Trust, the single biggest shareholder.

Mr Getty, favourite son of the late J. Paul Getty, had argued that Getty Oil's management was not doing sufficient to raise the value of its shares. At one point last year they were trading at $48½.

Last week Pennzoil announced a $100 a share tender offer for up to 20 per cent of the Getty Oil equity, but after a marathon board meeting earlier this week Pennzoil decided to throw in its lot with Mr Gordon Getty. It said it would increase its offer and work out a plan for the break-up of Getty Oil over the next year.

Wall Street analysts were surprised by Texaco's intervention. Most had concluded that no company would be prepared to top what was considered a handsome price.

Mr J. Hugh Liedtke, chairman of Pennzoil, sent a telex to Getty Oil's board yesterday morning in which he said he expected Getty to comply with the terms of its agreement with Pennzoil. Failure to do so would lead to Pennzoil suing Getty, its directors and the J. Paul Getty Museum for damages, he said.

Mr Liedtke also raised the issue of what he called "the significant anti-trust issues presented by the Texaco offer."

In his telex to the Getty board, which was meeting yesterday morning, he urged its members to consider their "obligation to us . . . and to those who have made significant investment decisions in Pennzoil securities based on your public announcements and to the future wellbeing of your employees."

Pennzoil and Texaco both said they expected to make further announcements.

The Getty Oil board earlier granted Pennzoil an option to purchase 8m Getty Oil shares for $110 a share in a move aimed at discouraging rival bidders. If Pennzoil were to exercise its option and withdraw from the race it would make a profit of $120m on these shares.

Texaco, which has become much more aggressive under Mr McKinley's management over the last couple of years, said yesterday that its proposal for a "business combination" was being recommended to the Getty Oil board by Getty Management and Gordon P. Getty.

With such support it was difficult to see yesterday how Texaco could fail to win Getty's hand, in the absence of a ruling that the proposal conflicted with the anti-trust laws.

MAJOR RECENT TAKEOVERS IN THE U.S. OIL INDUSTRY

Buyer	Company bought	Value $bn	Date
Shell Oil	Belridge Oil	3.6	December 1979
Du Pont	Conoco	7.6	October 1981
U.S. Steel	Marathon	6.4	April 1982
Occidental	Cities Service	4.0	August 1982

MARKETS

DOLLAR

New York lunchtime:
DM 2.8070
FFr 8.57
SwFr 2.23825
Y232.55
London:
DM 2.81 (2.799)
FFr 8.5725 (8.54)
SwFr 2.239 (2.234)
Y232.65 (232.85)
Trade Weighted 131.3 (131.3)
Tokyo close Y233.2

U.S. LUNCHTIME RATES

Fed Funds 9¼%
3-month Treasury Bills: 8.88%
Long Bond: 101⅞
yield: 11.82

GOLD

New York: Comex Jan. latest $378.5 ($375.5)
London: $375.125 ($376.625)

STERLING

New York lunchtime: $1.4115
London: $1.407 (1.4125)
DM 3.955 (3.955)
SwFr 3.1525 (3.1575)
FFr 12.0575 (12.06)
Y327.5 (329.25)
Trade Weighted 81.7 (81.9)

LONDON MONEY

3-month interbank:
mid rate 9 9/16% (9 9/16)
3-month eligible bills:
buying rate 8 27/32% (8 27/32)

STOCK INDICES

FT Ind. Ord 794.3 (+10.7)
FT-A All Share 483.83 (+1.3%)
FT-A long gilt yield index:
High coupon 10.02 (10.03)
New York lunchtime:
DJ Ind Av 1,284.44 (+2.2)
Tokyo:
Nikkei Dow 9,961.25 (+14.39)

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FALKLANDS DISPUTE

Alfonsin welcomes Thatcher hint

BY DAVID WELNA IN BUENOS AIRES

PRESIDENT Raú Alfonsin of Argentina yesterday hailed as "an important step" remarks by Mrs Margaret Thatcher on Thursday about the future of the dispute over the Falkland Islands.

Sr Alfonsin's statement came after the British Prime Minister had expressed readiness to lift the 150-mile exclusion zone around the Falklands if Argentina were to declare a formal cessation of hostilities in the South Atlantic. Mrs Thatcher spoke on Independent Television News.

But the Argentine President made clear his displeasure over Mrs Thatcher's refusal to discuss the island's sovereignty, and reiterated his belief that negotiations in line with a United Nations resolution would result in "recovery of our islands."

Sr Alfonsin emphasised Argentina's willingness to resume talks and said that although Britain has called for the cessation of hostilities for quite some time, the exclusion zone around the islands and continued fortification "could bring serious problems."

On Tuesday, the Argentine Foreign Ministry called for negotiations "in good faith" to resolve the Falklands dispute emphasising the government's determination to achieve "restitution" of the islands for Argentina.

Sr Caputo, Foreign Minister, on Thursday characterised the UK Foreign Office's statement that it would "study" Argentine's latest declaration as "less cold" than Mrs Thatcher's repeated opposition to negotiation for sovereignty.

Meanwhile, Sr Alfonsin's proposed legal reform intended to open military trial verdicts to appeal in Federal courts and limit future infractions tried by court martial to strictly military affairs, was approved in a tumultuous session of the Chamber of Deputies on Thursday.

Human rights activists, led by the "Mothers of Plaza de Mayo," whose children disappeared during military repression, protested from the galleries surrounding the Chamber of Deputies.

They and the Peronists deputies, who are outnumbered by members of Sr Alfonsin's Radical Party, object to military judges—rather than civilian—trying nine former military junta members accused of murder and torture in connection with the disappearance of more than 7,000 Argentines.

The reform still has to be passed by the Senate next week to become law. Chances of this happening are considered slim, since the Radicals who will guarantee the reform's passage in the Chamber of Deputies constitute a minority in the Senate.

● Sr Alfonsin has ordered an investigation of all economic measures approved during the seven years of military government to decide if the military's economic authorities should be prosecuted.

Jobless figure at two-year low in U.S.

By Stewart Fleming in Washington

UNEMPLOYMENT in the United States fell last month to its lowest point in two years—a seasonally adjusted 8.2 per cent—according to the Labour Department. The number out of work declined by 230,000 to 9.2m, compared to 11.8m in December, 1982.

Although the decline from 8.4 per cent in November was slight it tended to understate the strength of the labour market. Not only were many economists expecting a slight rise in unemployment after the surprisingly strong falls of the previous two months, but the Labour Department also reported another healthy gain in the number of Americans with jobs.

The number with jobs rose by 335,000 to 102.9m on a seasonally adjusted basis, bringing the gain in employment to 1m over the past two months alone. Since unemployment peaked in December 1982, at 10.7 per cent, the U.S. economy has created 4m new jobs.

The Labour Department said both manufacturing and service industries continued to show strong employment growth in December. In the fourth quarter of last year there was a further decline in the number of workers who had previously given up looking for work.

The strongest decline in unemployment was among adult men and women. Blacks alone suffered a rise in unemployment.

Otherwise, the figures continue to give the Reagan Administration ammunition to support its case that its economic policies are working well in the run up to this year's presidential election, even though it forecasts a slower decline in unemployment this year. Budget assumptions predict an average unemployment rate for the year of 7.8 per cent.

Other economic news yesterday also reinforced the picture of a healthy economy. Retail stores are reporting some of their strongest sales gains in a decade over Christmas. Car manufacturers also did well in December bringing the total of U.S.-built cars sold last year to 6.8m, up about 18 per cent on 1982. Manufacturers are planning to step up production further in the first quarter.

Buhari approaches civilians to join Nigerian cabinet

BY MICHAEL HOLMAN IN LAGOS

NIGERIA'S military leader, General Muhammadu Buhari, yesterday canvassed potential civilian members of his new cabinet, in what diplomats saw as further evidence of the pragmatic approach of the new regime.

No ministers have been appointed, however, and the 19-member Supreme Military Council, under the chairmanship of Gen Buhari, will remain the country's policy-making body.

The key offices to be filled are the Ministry of Finance, the newly-created Ministry of Petroleum and Energy and the Ministry of Industry and Commerce.

Two of the leading economic officials, Alhaji Abubakar Alhaji, the Permanent Secretary in the Ministry of Finance, and Alhaji Abdulkadir Ahmed, the governor of the central bank, have continued in office, and will play a leading role during talks with the International Monetary Fund scheduled to begin in Washington on January 16.

Western bankers and diplomats here welcomed Gen Buhari's confirmation at his news conference on Thursday that Nigeria would pursue both the negotiations with the Fund and its main trading partners who are owed some $3bn-$5bn in outstanding payments.

The country remains calm with no outbreaks of violence reported. In Lagos, soldiers man the road blocks which in the past have been operated by police, but otherwise the city is back to normal. That is to say—lengthy traffic jams and frequent electricity cuts.

International telex and telephone links are working normally and domestic and international air services have resumed.

Most of the military governors of the 19 states have taken up their posts, but apart from manning road blocks, the military presence has been remarkably discreet.

Senior administration officials have expressed concern, however, over reports of soldiers touring markets ordering traders to reduce prices. The result has been dramatic, with prices of basic commodities such as rice, tinned milk and cooking oil dropping by half.

This accounts in part for the near euphoric reaction of many Nigerians to the events of the past few days. But one diplomat commented: "Waving guns at market mammies and telling them to bring prices down is not a substitute for economic policies."

If the tough austerity measures initiated by the outgoing administration—a condition of IMF assistance—are enforced, living conditions for Nigerians are likely to get harder before they get better. Government subsidies will have to be cut, which will mean higher petrol prices in particular.

A devaluation, which proved a serious sticking point in talks with the Fund last year, is also expected. The first test of the military regime, observers believe, is whether it can survive a likely hostile reaction to the measures.

Hitachi set to introduce first 1m bit memory chip

The race to design the first silicon random access memory chip able to store one million individual units (bits) of information seems to have been won by Hitachi, the Japanese electronics company, writes Alan Cane, Technology Editor.

It said yesterday that it would introduce the chip—a dynamic read and write memory—at an international solid state circuits conference in the U.S. next month, but would not show samples.

Hitachi officials agreed that the new chip design was an academic exercise rather than a commercially viable project, while refusing to deny that the company might start commercial production in 1987.

Hitachi's claim is unlikely to disturb world semiconductor markets. Every major semiconductor company specialising in memory has made public its intention to develop a one million bit chip, and factors such as ease of manufacture, yield of usable chips, price and efficiency will prove more critical than the cachet of being first with the new design.

W. German recovery shown in order surge

A fresh surge of orders to West German manufacturing industry provides further evidence that the economic recovery is gathering pace after a slow start, Jonathan Carr writes in Frankfurt.

Economics Ministry figures released yesterday show industrial orders up in November by a seasonally adjusted 2 per cent against October. Domestic orders rose by 4.5 per cent while those from abroad remained steady.

Turkish levy cut

Turkey has cut its levy on iron and steel imports from the EEC from 15 to 5 per cent, writes David Barchard in Ankara. The levy, applying to 43 products, was introduced a year ago in protest at EEC restrictions on Turkish textile exports. No explanation was given for the move but diplomats said it would help improve Turkey's strained relations with the community.

Greek pay claim

Greek trade unions are to demand pay increases, to make up for a loss in real income last year of about 5 per cent, and the index-linking of private sector wages, Andriana Ierodiaconov writes in Athens. Talks on pay settlements are due to begin next week. The union demands will also include a five-day 40 hour working week.

UN aid for Afghans

The United Nations High Commission for Refugees was due to sign in Washington an agreement with the World Bank, worth $20m (£14.2m) to provide employment in Pakistan for refugees, largely from Afghanistan, Anthony McDermott writes in Geneva. The agreement is unusual in catering specifically for displaced nationals, perhaps even, as commission officials concede, at the expense of the local population.

Reagan talks to Cuba

President Reagan sent new year greetings to the Cuban people in a radio broadcast in which he also accused President Fidel Castro of political repression and adventurism abroad, Reuter reports from Washington.

Thais 'ready to fight'

THAILAND will fight if Vietnamese forces intrude "one inch" on Thai territory in pursuit of Cambodian resistance fighters, Mr Bhichai Rattakul, Thailand's Deputy Prime Minister, said, AP reports from Bangkok.

Iraqi warning to Iran

President Saddam Hussein of Iraq said his forces would hit Iran's vital interests if Iran attacked Iraqi territory and warned foreign merchant ships to stay away from the head of the Gulf, Reuter reports from Baghdad.

Beirut accord edges nearer

BY OUR MIDDLE EAST STAFF

INTERMITTENT shell fire from the mountains overlooking Beirut yesterday emphasised the delicate task Lebanese Government faces in completing the arrangements for a more broadly based ceasefire and disengagement agreement.

Government officials say that an agreement between the warring factions would allow the Lebanese army to bring a larger area of the country under its direct control.

Under the provisions of the agreement, which could be announced at the weekend, Lebanese army and police units would move into some areas controlled by Syria and Israel at the moment.

The Foreign Ministers of Syria, Lebanon and Saudi Arabia are due to meet in Riyadh tomorrow and they are expected also to discuss plans to reconvene the Geneva talks on national reconciliation.

Mr Walid Jumblatt, the leader of the Druze and a main spokesman for opposition forces has warned that the disengagement agreement is no substitute for greater power-sharing by President Gemayel.

● Israel's opposition Labour party has gained increased public support as the country's economy sinks deeper into trouble, according to a public opinion poll published yesterday. The poll found the Labour party would win 57 of the 120 Knesset (Parliament) seats in a General Election, while Prime Minister Yitzhak Shamir's Likud bloc would take 41.

It was Labour's strongest showing in the monthly opinion poll since the 1981 election, and reflected public dismay over the inflation plagued economy, and the erosion of wages. Last July, the same opinion poll found Labour would win only 47 Knesset seats, but the party's fortunes have risen steadily since the onset of the economic crisis last August.

Euro-MPs 'still too remote'

By Ivo Dawnay in Brussels

DESPITE millions of miles of gruelling travel, almost five years of rigorous politicking and untold numbers of heavy working lunches, Members of the European Parliament, not to mention their media entourage, have failed to make any significant impact on their European electorate.

These are the unhappy New Year tidings published yesterday by Euro-Barometre, the EEC public opinion pollsters.

According to the latest half-yearly report, the European public is now less aware of the coming parliamentary elections in June than it was five years ago prior to the first direct elections.

Of the 9,719 questioned, only 14 per cent spontaneously mentioned the imminent elections compared to 28 per cent of the sample in 1978. And while a heartening 67 per cent believed that the European parliament should have more power, 65 per cent warned that MEPs were too remote from their electorates.

As ever, the report contains an unusual mixture of paradoxes and surprises.

In the UK, excluding Northern Ireland, for example, the attitude towards the EEC has exactly reversed the position of six months ago with 36 per cent believing membership to be "a good thing," and 30 per cent indifferent and 28 per cent opposed.

Sixty per cent of the British polled, however, supported the proposition that the prime objective of the European Parliament should be to achieve European political union under an EEC government, with only 18 per cent against.

This compares with a Community average of 57 per cent, the French and Germans only 50 and 53 per cent in accord respectively and the Danes passionately opposed.

Despite the growth in international tension only 19 per cent thought war probable, a 1 percentage point increase on last year and a massive decline from the 34 per cent figure recorded after the Soviet invasion of Afghanistan

More bizarre still, all the countries in which cruise or Pershing missiles are installed or due, with the exception of Italy, registered an anxiety level that showed either no change or a decline.

Government in court move over Marc Rich taxes

By William Hall in New York

THE U.S. GOVERNMENT has taken a further step in its long-running battle to collect $91m (£64.5m) in back taxes and penalties from Marc Rich, the international commodity trader, and is taking legal action to repatriate money held overseas to meet American taxes.

District court judge Richard Owen signed an order on Thursday, requiring Clarendon, formerly known as Marc Rich Company International, to show why an order should not be entered requiring it to repatriate its foreign assets for payment of American taxes. The case will be heard on January 20 in a New York federal court.

The action follows a $91m jeopardy assessment against Clarendon made by the U.S. internal revenue service on September 30 1983.

Mr Richard Simpson, the assistant U.S. attorney, handling the new case argues that Clarendon's substantial foreign assets should not be immune from collection on the assessed tax liability.

The U.S. Government alleges that since the September 30 jeopardy assessment Clarendon has transferred some of its commodity traders to foreign offices where they can continue commodity deals with the proceeds being paid to Clarendon in Switzerland.

Some of Clarendon's traders residing in New York have allegedly been travelling abroad to arrange transactions outside the U.S. with Clarendon's proceeds paid in Switzerland.

The Government alleges that Clarendon has also been paying its creditors in the U.S. with drafts drawn on a Swiss Bank but has not been paying taxes it owes the Government.

South Africa winds down southern Angola attack

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN forces have begun to "phase out" their month-long sweep through southern Angola a Department of Foreign Affairs official said yesterday. The operation, understood to involve 2,000 to 3,000 men, is "on its last legs," he said.

The incursion, which penetrated at least 300km into Angola, was mounted on December 6 to forestall, according to the South Africans, a large-scale infiltration into northern Namibia by guerrillas of the South-West African People's Organisation (Swapo).

Seventeen South African soldiers have been killed in the operation. Swapo and Angolan casualties have not been disclosed.

The scaling down of the attack coincides with mounting efforts to arrange face-to-face discussions between South Africa and Angola on the former's offer to withdraw its troops from southern Angola for a trial period of a month during February. The gesture is conditional on the Angolans restraining Swapo and Cuban forces from "exploiting the resulting situation."

President Eduardo Dos Santos of Angola earlier this week accepted the offer, provided South Africa reverses its refusal to implement United Nations supervised elections in Namibia until a timetable is arranged for the withdrawal of some 30,000 Cubans in Angola. He also called on South Africa to begin the seven-month process towards elections by mid-March.

The UN Security Council yesterday strongly condemned South Africa for its military strikes in Angola and demanded the immediate, unconditional withdrawal of all its forces, Reuter reports. The resolution was approved by 12 votes to none with the U.S. and Britain abstaining.

These conditions are unacceptable to the Pretoria Government, but it has not closed the door altogether to further negotiations with the Angolans on mutually acceptable arrangements for a truce. The South African official said that no reply has been received to two requests last year for the resumption of bilateral talks.

The U.S., whose patience on the lack of progress in the Namibian issue has recently appeared to be wearing thin, is understood to be encouraging further contacts between the Angolans and South Africans.

Meanwhile, Mr Pik Botha, South Africa's Foreign Minister, said yesterday that the Government is studying a call by Mr Sam Nujoma, Swapo's leader, for a ceasefire

Poissy hopes to open next week

BY DAVID MARSH IN PARIS

PEUGEOT, the financially ailing French motor group, last night put at FFr 8m (£666,000) the cost of damage at its Talbot plant at Poissy during Thursday's violent clashes among factory workers.

Production at the plant has been halted for five weeks over a labour dispute sparked off by the company's plans for large-scale redundancies. Peugeot hopes that output at the factory, closed down completely yesterday apart from clearing-up operations, will start up again gradually next week, but this will clearly depend on the compliance of unions.

Peugeot made clear that chances of production resuming would depend on how quickly damaged workshops and assembly lines could be repaired after Thursday's fighting

Around 2,500 people marched yesterday through Poissy—a sedate township west of Paris which has become nationally connected with Peugeot's troubles—to call for a resumption of work.

The demonstration, organised by the right-wing mayor of the town and supported by most local retailers and industrial organisasions, was intended to counterbalance action by left-wing unions urging changes in the redundancy plans.

Our Labour Staff adds: The Geneva-based International Metalworkers' Federation yesterday made preliminary arrangements for a conference next week of Talbot union leaders from France, Britain and Spain.

If the Poissy dispute is not resolved over the weekend, the unions will meet in Paris to

Of the major unions at Poissy, the CFDT is affiliated to the federation, but the CGT is not and would not be involved

Arthur Smith, Midlands Correspondent, adds: Talbot UK claimed last night that it had sufficient existing stock of components to keep production going at its Ryton assembly plant, Coventry, at least until the middle of next week.

The 1,400 workers at Ryton are dependent upon the Poissy factory in France for key components for assembly of the Alpine, Solara and Horizon models.

Delicate Polish church-state talks

BY OUR FOREIGN STAFF

SIGNS of a tacit agreement that the Polish government may abandon planned trials of Solidarity and KOR dissident political prisoners in return for church leaders reining in more outspoken priests have emerged from Thursday's meeting between General Wojciech Jaruzelksi and Cardinal Jozef Glemp.

There were few details of the five-hour meeting just outside Warsaw between the heads of government and church in Poland, their first direct conversation for six months. But the Government newspaper Zycie Warszawy said the meeting "finally and irrevocably disposed of allegations of growing tension between the church and state."

Meanwhile, church sources said Cardinal Glemp would visit the Pope in Rome later this month to discuss the apparent thaw in church-state relations, which had been aggravated by Government harassment of certain priests. In particular, Father Henryk Jankowski, the Gdansk-based confessor to Mr Lech Walesa, and Father Jerzy Popieluszko, the parish priest of the Warsaw steelworkers, have been accused of abusing political freedom for political ends.

Cardinal Glemp is said to have complained to General Jaruzelski that these priests were being victimised by a Government insensitive to human rights and won an assurance that Father Popieluszko would not be tried for alleged possession of banned literature which police claim to have found in his apartment.

The public communique after the Glemp-Jaruzelski meeting mentioned none of these issues, but praised the beneficial outcome of the Pope's visit to Poland last June and stressed concern over the nuclear arms build-up in Europe.

Warsaw trims growth target

By Our Warsaw Correspondent

POLAND'S PLANNERS have scaled down this year's national income growth target from the 3.5 per cent proposed last autumn to 2.6 per cent. Last year it grew by 4.2 per cent.

Industrial production this year is planned to rise by 4.5 per cent, compared to the 5 per cent achieved in 1983. Hard currency export targets have been set at $6.5bn, imports are reckoned at $4.6bn. The resulting trade surplus will service the country's $28bn debt.

The Government hopes to import 3m tonnes of grain and 1.3m tonnes of high protein feeds to bolster the farm animal population, now at a record low.

F.T.-ACTUARIES SHARE INDICES
QUARTERLY VALUATION

The table shows December 30, 1983, market capitalisations of the FT-Actuaries groups and subsections in their current form with corresponding values prior to the end-1983 regroupings and reclassifications detailed in our issue of December 13. Figures as at the end of last September are shown for comparison.

The first bracketed figures denote number of current constituents and the second, where given, the number before the year-end changes.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)			Market capitalisation as at Dec. 30, 1983 (£m.) †	% of all share index †	Market capitalisation as at Dec. 30, 1983 (£m.)	% of all share index	Market capitalisation as at Sept. 30, 1983 (£m.)	% of all share index
1	CAPITAL GOODS GROUP	(205)	(205)	28,785.3	19.85	28,515.6	19.69	27,078.3	19.84
2	Building Materials	(25)	(34)	4,458.9	3.08	4,442.3	3.07	4,217.5	3.09
3	Contracting, Construction	(32)	(30)	2,165.2	1.49	2,103.0	1.45	2,102.4	1.54
4	Electricals	(15)	(38)	1,347.5	0.93	11,944.6	8.25	11,670.6	8.55
5	Engineering Contractors	(—)	(10)	—	—	574.2	0.40	550.4	0.40
5	Electronics	(24)		10,980.6	7.57	—	—	—	—
6	Mechanical Engineering	(64)	(69)	4,174.7	2.88	3,899.2	2.69	3,568.1	2.61
8	Metals and Metal Forming	(9)		1,133.2	0.78	1,135.2	0.78	1,042.6	0.77
9	Motors	(17)		880.6	0.61	880.6	0.61	777.3	0.57
10	Other Industrial Materials	(19)	(16)	3,642.6	2.51	3,536.5	2.44	3,149.4	2.31
21	CONSUMER GROUP	(196)	(197)	46,070.0	31.77	46,082.9	31.82	43,250.0	31.68
22	Brewers and Distillers	(23)		6,655.2	4.59	6,656.2	4.60	6,719.9	4.92
25	Food Manufacturing	(22)		6,247.7	4.31	6,247.7	4.31	5,746.2	4.21
26	Food Retailing	(13)		4,353.5	3.00	4,353.5	3.01	3,949.2	2.89
27	Health and Household Products	(9)		6,394.6	4.41	6,394.6	4.42	6,799.4	4.98
29	Leisure	(23)		3,465.1	2.39	3,465.1	2.39	3,226.7	2.36
33	Newspapers, Publishing	(15)		859.5	0.59	859.5	0.59	750.0	0.55
33	Packaging and Paper	(14)		1,610.3	1.11	1,610.3	1.11	1,381.0	1.02
34	Stores	(47)		10,893.0	7.52	10,898.0	7.53	9,994.7	7.32
35	Textiles	(19)	(20)	1,541.8	1.06	1,554.7	1.07	1,304.9	0.96
36	Tobaccos	(3)		3,808.9	2.63	3,808.9	2.63	3,106.2	2.28
39	Other Consumer	(8)		234.4	0.16	234.4	0.16	261.8	0.19
41	OTHER GROUPS	(83)	(84)	14,479.8	9.98	14,540.3	10.04	13,090.3	9.59
42	Chemicals	(16)		6,216.0	4.29	6,216.0	4.29	5,280.5	3.87
44	Office Equipment	(5)	(6)	556.8	0.38	626.2	0.43	613.7	0.45
45	Shipping and Transport	(14)		1,462.0	1.01	1,462.0	1.01	1,334.0	0.98
46	Miscellaneous	(48)		6,245.0	4.30	6,236.0	4.31	5,862.1	4.29
49	INDUSTRIAL GROUP	(484)		89,335.1	61.60	89,138.7	61.55	83,418.6	61.11
51	Oils	(16)		17,109.7	11.80	17,109.7	11.81	18,119.2	13.27
59	500 SHARE INDEX			106,444.8	73.40	106,248.4	73.36	101,537.8	74.38
61	FINANCIAL GROUP	(134)		25,620.8	17.67	25,620.8	17.69	22,485.4	16.47
62	Banks	(6)		5,809.7	4.01	5,809.7	4.01	5,423.0	3.97
63	Discount Houses	(8)		243.2	0.17	242.2	0.17	204.7	0.15
65	Insurance (Life)	(9)		3,863.4	2.66	3,863.4	2.67	3,415.9	2.50
66	Insurance (Composite)	(10)		5,186.7	3.58	5,186.7	3.53	4,715.5	3.45
67	Insurance Brokers	(7)		1,152.7	0.80	1,152.7	0.80	985.6	0.72
68	Merchant Banks	(12)		1,670.0	1.15	1,670.0	1.15	1,073.9	0.79
69	Property	(54)		5,430.1	3.74	5,430.1	3.75	4,697.9	3.44
70	Other Financial	(18)		2,266.0	1.56	2,266.0	1.56	1,970.9	1.45
71	Investment Trusts	(107)		8,482.8	5.85	8,482.8	5.86	7,934.2	5.81
81	Mining Finance	(4)		3,012.9	2.08	3,012.9	2.08	3,167.5	2.32
91	Overseas Traders	(16)		1,459.4	1.00	1,459.4	1.01	1,388.5	1.02
99	ALL-SHARE INDEX	(750)		145,020.7	100.0	144,824.3	100.0	136,513.4	100.00

† After year-end changes.

Sohio seeks approval for Prudhoe field injection

BY DOMINIC LAWSON

STANDAR OIL COMPANY (Ohio), the U.S. concern, in which BP has a 53 per cent stake, is seeking approval from the Alaskan Oil and Gas Conservation Commission for a development programme on its Prudhoe Bay oilfield.

The programme, involving the injection of "miscible" gas (a gas liquid mixture) into the field from 1987, would cost about $750m, in an effort to extract about 150m barrels of oil which would otherwise not be recoverable. Without it, the field is estimated to contain about 6½bn barrels still able to be recovered.

Sohio is to report its annual results on January 26, when it is expected to give details of the write-offs involved in the disappointing first well on Mukluk Island, off Alaska. The company had paid almost $400m for its Mukluk leases, but it appears that the oil in Mukluk had either evaporated or migrated.

● BP yesterday refused to comment on international stock market rumours concerning the first exploration well drilled on its acreage in the South China Sea. The well has reached its target depth, and testing is now under way. An announcement of the results is expected next week. On the London Stock Exchange BP's share price fell 2p to 405p.

Protesting Irish bookies gamble on a cut in betting tax

BY BRENDAN KEENAN IN DUBLIN

IRISH punters are viewing with mixed feelings the prospect of some of their favourite bookmakers going to jail, since many of them, of course, think the bookies should have been put there years ago.

But funny odds are not the problem, at least officially. The bookmakers are withholding betting tax in protest at what they say is widespread illegal betting. Already, after less than a fortnight's protest, they owe an estimated Ir£750,000 from the 20 per cent betting tax.

The bookies blame the high rate of betting tax, double the UK level, for the growth of illegal betting. They quote in support of their case a Government lawyer who estimated in court last summer that over I£400m had been laid in illegal bets last year.

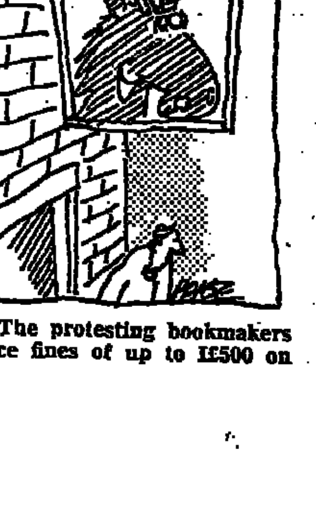
The tax authorities dispute that figure and say receipts from duty doubled in five years to I£19m last year, which suggests no significant increase in evasion.

They admit that no one really knows the true extent of the black betting. Many punters have accounts with bookies in Northern Ireland and Britain, and place their bets by telephone. This is illegal, but almost impossible to prevent.

Other books are run in pubs, usually on Saturdays and covering televised races. According to Mr Brian Fogarty of the Bookmakers' Association: "If a punter can sit down with a pint in one hand and a tax-free bet in the other and watch his race on television, it's more attractive than paying 20 per cent duty in a bookie's shop."

The tax authorities say prosecutions are running at an average of a 100 per year and that 70 per cent of the convictions relate to licensed bookies evading duty.

Licensed bookies can get round fines by passing the licence to another nominee and Mr Fogarty would like to see the actual premises closed for a period in the event of conviction. He also believes that publicans should have their licences endorsed if anyone is convicted of illegal bookmaking on their premises.



The protesting bookmakers face fines of up to I£500 on each bet for which duty is not paid and imprisonment if they refuse to pay the fine.

Mr Fogarty and his association are well aware that the Irish Budget is in three weeks time, so is he really prepared to go to prison?

"I hear the food is pretty poor," says Mr Fogarty, "but some of us are prepared to go to the bitter end to get some action from the Government."

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MoD to cut 700 jobs at Plymouth dockyard

By Brian Groom

THE Ministry of Defence is to cut 700 of the 13,500 jobs at Plymouth naval dockyard over the next four years as part of the Government's drive to reduce public service manpower.

No decision has been taken about which areas of the yard—the country's biggest—will be affected. Officials said the cuts were likely to be achieved by natural wastage.

Plymouth mainly refits frigates and submarines, including the nuclear-powered hunter-killers. The Ministry would not comment on how the cuts will affect the capabilities of the yard, which has recently been busy.

Some of the cuts are likely to be offset by increased efficiency, but there may be some reductions in the amount of work Plymouth can take on. This could delay refits slightly, or increase the number of small jobs which go out to private contractors.

Plymouth's workforce has grown slowly in recent years, particularly since the closure of the Chatham dockyard in Kent and the rundown of Portsmouth.

Last year the Plymouth dockyard introduced a new efficiency scheme, including a variety of measures to cut the loss of productive time.

● John Tann Security, Britian's second largest manufacturer of commercial safes and strong room doors, is to close its Billericay, Essex, factory with the loss of at least 140 jobs, nearly one-third of its UK workforce.

Tann, part of the Walter Runciman Group, will transfer production to its head office at Borehamwood, Herts. About 220 jobs will go at Billericay but up to an additional 80 will be created at Borehamwood.

Mr W. G. Runciman, chairman of the company, said: "We don't see the UK market justifying the volume of business which would allow us to maintain the two sites. We have seen demand for our standard range of security products drop by 30 per cent over the past two to three years."

Runciman's security business made a pre-tax loss of £287,000 in 1982 on turnover of £27m although its performance improved in 1983.

The company has extensive shipping and insurance interests which were profitable.

Terex assets may be taken over

By Mark Meredith, Scottish Correspondent

A COMPANY may be set up to take over the assets of the Terex heavy construction equipment manufacturer near Glasgow.

The receivers at Terex, accountants, Tompson McClintock, who were called in last November after the disintegration of Terex's parent company, IBH Holdings of West Germany, said discussions were under way with an "interested party."

Terex managers have hoped for a takeover since the company went into receivership. Limited production of spares and completion of existing orders has continued, though there has been no major manufacturing.

The statement yesterday said that Terex employees had indicated they were prepared in principle to work for the new company on the basis of a wage freeze for two years, with certain other changes to their working conditions.

About 1,000 workers are left at the plant. Some 400 job cuts were in train before IBH ran into difficulties.

The receivers said 200 further redundancies might be made.

GM announces extra dealer incentive drive

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS, the Vauxhall-Opel group, yesterday told its dealers about an incentive campaign involving extra discounts of £135 on the Astra and Cavalier models and a low-cost finance deal for the Novas and Chevettes—all backed by a £6m advertising drive.

The campaign will increase presure on Ford, the market leader, to introduce a new set of dealer incentives. Ford offered to call a truce last September but now both its main rivals have launched extra-incentive schemes for the early part of 1984.

Austin Rover, the BL subsidiary, before Christmas announced a campaign lasting until April 9, offering dealers extra bonuses of up to £750 each on most Ambassador models and up to £500 on each Maestro 1.3, among other items.

GM made clear to its dealers that it aims to make a fast start to 1984. Having gained a 16 per cent share of the market in December, the company expects to hold that level throughout this year. For 1983 as a whole its share was 14.63 per cent.

Dealers will get extra bonuses on each Cavalier and Astra sold, unless they fail to reach 50 per cent of an agreed sales target in which case they will be debited the £135.

The extra incentives last until February 29, as does the 4.9 per cent finance on the Nova and Chevette models. These models are bought mainly by private rather than corporate buyers and private buyers predominate in the January and February markets.

To encourage dealers and their salesmen to keep on their toes, GM is offering a range of other incentives: holidays in Hong Kong for dealer principals, diamond rings for their wives if they reach the full-month target in the first 10 days, holidays in Spain for salesmen, and so on.

Mr John Fleming, Vauxhall's chairman and managing director, said: "We mean to boost Vauxhall-Opel sales by a further 15 per cent in 1984 from last year's level to around 300,00. This will give us over 16 per cent of the market.

"We have a strong order bank, plenty of product and the market itself should be almost as high as it was in 1983. It looks like another good year for Vauxhall-Opel."

GM's action seems designed to catch Ford on the hop. Ford certainly must have made contingency plans to re-enter the extra-incentives battle if necessary, but would need some days to implement them.

Some observers, however, pointed out yesterday that GM's campaign may not be dramatic enough to provoke Ford into fresh action.

Sales of imported cars pass 1m mark for first time

BY KENNETH GOODING

SALES of imported cars passed the 1m mark in 1983 for the first time, with the two U.S. multinationals, Ford and General Motors, the top importers.

Total sales for 1983 set a record of 1,791,699 or 4.4 per cent above the previous peak—1979's 1,716,275.

Ford's import registrations did not rise in pace with the overall market, the main reason the total importers' share slipped from 57.7 to 56.9 per cent.

Registrations of cars from Ford's continental plants increased from 230,052 in 1982 to 239,742 last year so the company's imports accounted for 13.4 per cent of total sales in 1983 compared with 14.79 per cent the previous year.

In contrast, General Motors, the Vauxhall-Opel group, saw its import share move up sharply from the 1982 level because of the introduction of the Spanish-built Vauxhall Nova.

GM's continental factories accounted for 139,027 registrations last year against 79,164 in 1982 and took 7.76 per cent of total sales compared with 5.09 per cent.

The Japanese had a record year for volume sales in Britain. Compared with the previous peak of 185,084 cars sold in 1979, the Japanese last year registered 191,378. However, their market share slipped slightly from 11 per cent in 1982 to 10.68 per cent.

Nissan's imports from Japan just beat its 1979 record of 102,395 cars with 102,435 registrations. The company also imported 2,249 cars jointly produced in Italy with Alfa Romeo.

According to the Society of Motor Manufacturers and Traders' statistics, last year ended as it began—with GM making strong progress, Ford fighting to hold its market share at about 30 per cent and BL attempting to claw back its position while being squeezed between the U.S. giants.

In the event, Ford ended 1983 with record volume—it was the first time that its annual sales topped 500,000—but its market share slipped a little.

GM ended the year by taking more than 16 per cent of the December market and wants to hold that level throughout 1984.

BL, apart from pushing up its volume of sales by about 20 per cent, stopped the steady decline in its market share and improved its penetration last year.

For the first time in many years no individual model accounted for 10 per cent or more of the market in 1983. In its heyday the Ford Cortina, best-selling car for 12 years, took between 10 and 12 per cent.

However, last year the Ford Escort, top seller, had a 9.7 per cent share. The Sierra, in second place, had 8.8 per cent.

Top 10 cars in 1983 were: 1 Ford Escort (174,190 registrations), 2 Ford Sierra (159,119), 3 BL Metro (137,303), 4 Vauxhall Cavalier (127,509), 5 Ford Fiesta (119,602), 6 BL Maestro (65,328), 7 Vauxhall Astra (62,570), 8 BL Triumph Acclaim (38,406), 9 Nissan Sunny (36,781), 10 Volvo 33 series 36,753.

UK CAR REGISTRATIONS

	December 1983	%	December 1982	%	Full year 1983	%	Full year 1982	%
Total market	70,925	100.00	64,299	100.00	1,791,699	100.00	1,555,027	100.00
Total UK produced	32,945	46.45	28,499	44.32	771,950	43.08	657,533	42.28
Total imports†	37,980	53.55	35,800	55.68	1,019,749	56.92	897,494	57.72
Ford*	21,906	30.89	22,174	34.49	518,048	28.91	474,192	30.49
BL	13,067	18.42	10,992	17.10	332,725	18.57	277,260	17.83
General Motors* (Vauxhall-Opel)	11,440	16.13	9,252	14.39	262,141	14.63	181,737	11.69
Peugeot Group								
Peugeot	1,386	1.95	741	1.15	21,342	1.19	19,636	1.26
Talbot*	1,101	1.55	2,203	3.42	58,183	3.24	56,147	3.60
Citroen	973	1.37	914	1.42	25,751	1.44	24,149	1.55
Total Peugeot	3,460	4.87	3,858	5.99	105,276	5.87	99,932	6.41
Nissan	4,426	6.24	2,393	3.72	104,684	5.84	93,213	5.99
Volkswagen-Audi	2,381	3.36	3,007	4.68	100,727	5.62	92,435	5.94
Renault	2,419	3.41	2,393	3.72	62,923	3.51	64,147	4.13
Volvo	2,302	3.25	2,058	3.20	61,250	3.42	51,707	3.33
Fiat-Lancia	1,887	2.66	1,970	3.06	49,715	2.77	48,808	3.14

* Includes cars from companies' Continental associates which are not in the total UK figures.

† Includes imports from all sources, including Continental associates of UK-based companies.

Source: Society of Motor Manufacturers and Traders

January sales get off to a good start

BY DAVID CHURCHILL AND LISA WOOD

HARRODS department store in London's Knightsbridge yesterday reported a buoyant start to its annual bargains sale, almost three weeks after the car bomb explosion outside the store.

Mr Aleck Craddock, Harrod's chairman, said last night the first day of the sales went very well indeed. This was despite earlier reports that the traditional long queues outside the store were much smaller than in previous years.

Mr Craddock said there were "probably as many people at the sale as last year" — when a record 300,000 people visited the store in the first two days. "We are up to the same level as last year in cash takings and slightly ahead in terms of credit sales," he said. "It is quite remarkable."

A strict security operation was mounted by Harrods and by the police.

Mr Craddock said the effect of the pre-Christmas explosion dented sales, which had been running about a quarter higher in cash terms compared with early December 1982. "But by the end of December, our total sales were some 14 per cent higher despite the bomb," he said.

Other central London retailers which started their sales last week said consumers were out in force. "It was a bit quiet at first after Christmas but sales have picked up very well and we are very pleased with the present level of trade," said Mr Roy Stephens, Selfridge's managing director.

The store's sales for December were about 15 per cent higher in value than in December 1982. Mr Stephens said they would have been higher still without the pre-Christmas bomb.

Most department store groups and multiple retail chains in London report buoyant sales. Mr David Johnson, Rumbelows' chief executive, said sales are "very strong." Washing machines and colour televisions are very popular.

Major retailers throughout the country reported buoyant sales despite high unemployment in many big cities.

Rackams department store in Birmingham, part of the House of Fraser, said customer flow was the best for six or seven years. Trade in the first week of the sale was slow, but takings this week were 17 per cent up on those for the same week last year.

In Manchester, Debenham's city centre store said it expected takings to match last year's record. Fashion goods, china and glass—particularly at the upper end of the market—sold well. Many children bought programs for Christmas gift computers.

In Wilmslow, Cheshire, the family-owned Finnigan's department store reported turnover 12 per cent up on last year's sale. Personal luggage, costing up to £1,000 was selling well, with fashions and footwear.

In Glasgow, Arnott's department store, the second biggest in Scotland, started its sale the week before Christmas to generate trade. The result was "better than our wildest dreams," said Arnotts.

Max Wilkinson on Professor Griffiths' new job

Monetarist seasoning at the Bank

THE APPOINTMENT of Professor Brian Griffiths, Dean of the City University Business School to the Court of Directors of the Bank of England, is seen as a further attempt by the Government to inject a stronger dose of monetarist thinking into Threadneedle Street.

The Court, which meets at noon every Thursday and sometimes lingers over luncheon, has not exercised much influence recently over the sharp end of the Bank's policy making.

However, Prof Griffiths, an outspoken monetarist and long-established adviser to the Thatcher wing of the Tory Party could well shake up the Court's deliberations. The Bank's thinking has often been criticised by Ministers as being too Keynesian.

This is a view which Prof Griffiths does not discourage. He said: "The late Lord Armstrong once told me that the Treasury was the finest debating society in the world. It may be that the Bank would like to see a more vigorous role for the Court in debating policy issues. It is a place where outsiders can discuss issues in a vigorous way without washing their dirty linen in public."

Professor Brian Griffiths

The Court consists of 14 non-executive directors and four executive directors, including the Governor and Deputy Governor.

In recent years it has been used as a sounding board by the Bank on issues ranging from the health of industry and the economy to the implications of international debt problems and regulation of City institutions.

Although the 42-year-old Prof Griffiths has been most widely known as an advocate of the monetarist approach to economics, and is a strong supporter of the present policy stance at 10 Downing Street, he believes his connections with the City may be at least as important in his new role as a director.

He has been adviser to a leading City broker for the last decade and has wide-ranging connections with the City through courses run by the Business School.

He expects, therefore, to join in the debate about the self-regulation of the City and the introduction of more competition. His views on regulation appear fairly close to those of the Government—favouring continued self-regulation with the minimum of statutory provisions and certainly no body similar to the U.S. Securities and Exchange Commission.

Prof Griffiths is also known for his public vigour about his Christian principles.

One former colleague remarked: "Somebody from the Chicago school (of Monetarist Economics) might develop a rigorous argument to show that monetarism was consistent with Christian compassion. Brian simply says you need both."

Benn and Whitehead lead Labour field to fight Varley seat

BY PETER RIDDELL, POLITICAL EDITOR

TWO former Labour MPs, Mr Tony Benn and Mr Philip Whitehead, are the leading prospective Labour candidates for the Chesterfield by-election, which has been caused by Mr Eric Varley's decision to leave politics for business.

Nominations closed yesterday and a shortlist of perhaps six will be drawn up over the weekend. Final selection will be on Sunday January 15.

Labour MPs see the choice of candidates as an indicator of the mood of the party, as well as being critical for Labour's chances of retaining the seat. The by-election is expected to be held early in March.

Mr Benn is the leading left-wing candidate while Mr Whitehead, previously the MP for neighbouring Derby North, is the choice of the centre-right. Final selection may be close and observers say Mr Benn could score at the selection meeting because of his effectiveness as a speaker.

Interviewed on Channel Four's Week in Politics programme last night, Mr Benn expressed strong support for Mr. Kinnock and for Mr Roy Hattersley, whom he said represented a balanced leadership.

He was "absolutely certain" there would be a Labour government with a working majority after the next election. Mr Benn criticised Dr David Owen whom he said was really a Conservative like Mr Reg Prentice. However, he claimed that if Labour's leader was still elected only by MPs, and there had not been the Social Democrat breakaway, Dr Owen might have become Labour leader.

Mr Benn delivered a fierce personal attack on Mrs Thatcher, whom he described as the most hated Prime Minister. He said: "That woman cannot move about Britain without hundreds of police to protect her because of the damage she is doing to the lives and prospects of millions of people."

Mr Gerry Bermingham, Labour MP for St Helens South, is expected to make a statement within the next week about his political future.

His local constituency party has decided to seek his resignation. That follows revelations about his involvement with two women.

Mr Jerry Caughey, the party's secretary, said he thought Mr Bermingham would consider the interest of his party and would resign. However, some Labour MPs believe Mr Bermingham may stay on in Parliament rather than cause an early by-election in which Labour would be forced on the defensive.

Gallaher raises cigarette prices

PRICES of some of Britain's best seling cigarettes will go up by 2p for 20, Gallaher announced yesterday, writes **Lisa Wood.**

Gallaher, Britain's second largest manufacturer of tobacco products, blamed rising costs, including the cost of leaf tobacco, because of the pound's weakness against the dollar.

The price increases will take the recommended retail price of Benson and Hedges Special Filter to £1.15 and Silk Cut King Size, the most popular low tar, to £1.14. Pipe tobacco brands will rise 2p for 25g, increasing the price of market leader Condor to £1.23.

Gallaher last put up its prices in the autumn

GEC-Hitachi plans to make small screen TVs

BY ROBIN REEVES, WELSH CORRESPONDENT

GEC-HITACHI yesterday unveiled plans to start making *small screen colour televisions* as part of a scheme to revamp manufacturing operations at Hirwaun, South Wales. The programme will involve 260 redundancies.

The portable TV sets, produced on two new production lines, will be 14 inch and 16 inch screen size, which account for about one-third of the UK colour TV market of 3.1m sets a year. About two-thirds of small screen colour sets are imported.

The Anglo-Japanese TV manufacturer also plans to rationalise the rest of its production and improve facilities. *Hirwaun produces 280,000 TVs* a year of 20 inch and 22 inch size with a staff of 1,500. Of *these 1,150 are production workers.*

Mr Graham Williams, GEC-Hitachi's managing director, said the plan involves a significant expansion above that level. Fewer workers would be required and final approval hinged on the workforce accepting the scheme.

The company wants the 260 redundancies to take effect by September. It said it was confident they could be achieved through natural wastage, voluntary redundancy and some limited short-time working.

● Two Wales-based companies, Warwick International at *Mostyn, Clywyd, and Comdial* Communications Systems at Cardiff, are to receive soft loans *totalling nearly £10m from* the European Coal and Steel Community.

Warwick International is to receive £5.96m to aid expansion of its chemical plant and to switch from oil- to coal-fired equipment. The expansion will create 200 jobs. Priority will go to ex-steel workers, notably from British Steel's nearby Shotton works.

Comdial which is building a £13m plant near Cardiff to make advanced telephone equipment, is being granted a loan of £4m. The project will create 280 jobs of which 240 will be suitable for ex-coal and steel *industry workers.*

Figures reflect textiles upturn

By Anthony Moreton, Textiles Correspondent

THE TEXTILES industry upturn, which has been gathering pace at shop-floor level in the past 13 months, is now reflected in official statistics.

Figures released yesterday by the Textiles Statistics Bureau, in Manchester, the main statistical body for cotton and synthetic fibres, show that the seasonally adjusted index of production was nearly 5 per cent higher in the third quarter of last year than in the preceding three months.

Puzzled

The industry was puzzled last year by an apparent discrepancy between strong evidence of a pick-up in output from the factories and almost no evidence of this in official statistics.

Figures now show that seasonally-adjusted output reached 90.6 in the third quarter (1980=100) compared with 86.5 in the previous three months. The average for the whole of 1982 was 87.5.

The figures also show a 15 per cent rise in textiles consumption between the two quarters and the bureau says it is clear that a considerable part of the buoyant consumer expenditure is going to the purchase of imported items.

The statistics show that the long fall in employment has come to an end. The number at work in textiles last year was largely unchanged while there was a slight rise in those employed in making-up clothes.

Value

Imports of textiles fell slightly to £573m in July, August and September but a lot of clothes were imported, with a total value of £434m. This is a normal seasonal occurrence as shops stock up for the autumn.

By contrast textile exports fell to £356m, while clothing exports rose to £243m. The result was an adverse trade balance for the quarter of £408m, almost a quarter higher than a year earlier.

Health supremo sought

By Gareth Griffiths

THE GOVERNMENT intends to advertise in the next couple of weeks for a chief executive for the National Health Service, who will be paid about £60,000 a year, a salary similar to those received by the top executives of nationalised industries.

Mrs Thatcher has told ministers she has several people in mind. The Government will use head hunters to find a suitable person, preferably from industry or finance.

The chief executive's arrival at the Department of Health and Social Security is likely to mean a power struggle to gain the Government's ear.

The creation of the chief executive's post is the result of management reforms proposed in October by an inquiry team headed by Mr Roy Griffiths, deputy chairman and managing director of the J. Sainsbury supermarket group. The chief executive will sit on the Health Services Supervisory Board which will determine policy and will chair the full-time executive NHS Management Board.

The power struggle is likely to stem from the fact that with the establishment of the boards the Government plans to run down the health supervisory work done by 2,000 civil servants at the DHSS.

Life company reverses trend to reduce staff

BY ERIC SHORT

THE Scottish Amicable Life Assurance Society has reported a fivefold increase to £31.6m in new annual premiums in 1983 on its mortgage-related business. This growth was largely attributable to the change last April to the new system of crediting tax relief on mortgage interest known as Miras (*mortgage interest relief at source*).

To cope with this increase, which came about rapidly, the company's staff worked a considerable amount of overtime and more than 50 extra temporary staff were recruited. Those jobs have now been made permanent. This is a reversal of life companies' employment policy in the past decade.

The general trend has been to shed labour because of increased use of computer systems.

Scottish Amicable employed 1,063 people at the end of 1969. Thirteen years later, when business had grown more than 15 times, the number was 1,082, such was the impact of computerisation.

The staff had risen to 1,154 by the end of last year.

Scottish Amicable considers that Miras-based business will continue at high levels.

The company has also considerably expanded its unit-linked life and pensions business, leading to demands for more investment staff. That will result in more than 100 jobs at Scottish Amicable since the beginning of 1983—an increase of 10 per cent in the workforce.

Plaid Cymru in Euro-poll move

BY ROBIN REEVES, WELSH CORRESPONDENT

PLAID CYMRU, the Welsh Nationalist Party, said yesterday it would co-operate with other nationalist and regional autonomy political parties in Europe to fight the June elections to the European Parliament.

The Welsh party has decided to join the European Free Alliance, a grouping of seven national movements. These include Volksunie, the Flemish party which has one Euro-MP in the Strasbourg assembly, and Convergencia Democratica of Catalonia, Spain, which pending Spain's entry to the EEC will not be involved in the Euro-elections.

The grouping has been encouraged by possible EEC financial aid toward election expenses provided parties achieve 1 per cent of the vote in at least three EEC member states.

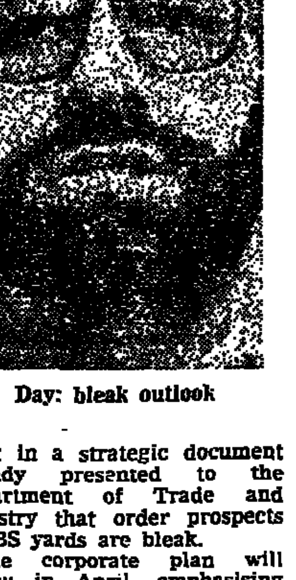
Andrew Fisher on the immediate prospects for British Shipbuilders

A grim struggle to survive

BRITISH SHIPBUILDERS face the task of winning new contracts at a time of deep crisis for the world industry, now that the threat of strike action has been lifted. Several of its more efficient yards are desperate for work as their current orders near completion.

State-owned British Shipbuilders, headed by Mr Graham Day, has sought to instil a sense of urgency into the workforce, stressing the need to agree to more flexible working practices to make British yards more attractive for world shipowners.

It was the lower prices and quicker delivery times offered by foreign yards, especially in the Far East, that caused BS's problems. At a time of prolonged malaise in world shipping, competition for orders is fierce.



Day: bleak outlook

British Shipbuilders' management has been afraid, ever since the strike threat was raised late last year, that world shipowners or rig operators would strike it off their lists if there was a lengthy stoppage over productivity.

Mr Day said last month: "Work that is *potentially* capturable would be dramatically reduced." If ships under construction were delayed due to a strike, some owners might never order in the UK again, causing damage to efficient as well as less efficient yards.

Mr Day has told the Government in a strategic document already presented to the Department of Trade and Industry that order prospects for BS yards are bleak.

The corporate plan will *follow in April, emphasising* the need to bring working practices in line with those in northern Europe, the issue behind the strike threat.

Three British Shipbuilders' yards which have favourable reputations with customers and would have found their new order prospects damaged by strike action are Cammell Laird on Merseyside; Govan on the Clyde; and Smith's Dock on Teesside.

Cammell Laird is in line for a platform order for North Sea use by Sun Oil of the U.S. worth more than £120m. Having just finished a semi-submersible rig for Dome Petroleum of Canada, it needs further commercial work. It is also seeking new naval orders.

Most recent publicity at British Shipbuilders, where trading losses are still running at more than £100m a year, has surrounded the Clydeside yard of Scott Lithgow and three small yards which have run out of work.

Scott Lithgow's future is uncertain now Britoil has cancelled the £88m drilling rig order which was two years behind schedule. Closure seems inevitable and the yard is expected to announce the first lay-offs of 800 men from the 4,250 workforce next week.

The small yards—Henry Robb in Scotland, Clelands on the Tyne and Goole on the Humber—also face bleak prospects. Robb's workers voted not to strike to stave off closure.

At Govan the order picture is poor. The yard is finishing two bulk carriers for Jebson of Norway and has no work beyond April. It hopes to win a £30m order from the Central Electricity Generating Board for three coal-carrying ships.

Smith's Dock has two roll-on/roll-off ships under construction for Brazil but nothing else on the stocks. Again, negotiations with possible customers could have been adversely affected by a strike.

One merchant yard which has pulled in business recently is Sunderland Shipbuilders. It has made much progress on productivity — British Shipbuilders wants similar agreements in all yards—and last year won a £100m order from Stena Line of Sweden for three sophisticated offshore service vessels, one still at the option stage.

Swan Hunter, a combined warship and commercial yard like Cammell Laird, has plenty of naval work and is building the replacement for Cunard's Atlantic Conveyor container ship, sunk in the Falklands.

There has been no shortage of recent predictions that European shipbuilding, especially in the EEC, will continue on a rapid downhill slide in the face of lower-priced South Korean and Japanese competition. Certainly, British Shipbuilders is not alone in its plight. Its hope is that the productivity deal will make its competitive edge at least as sharp as the rest of Europe, even if Far Eastern efficiency levels remain virtually unattainable.

TREND OF INDUSTRIAL PROFITS
ANALYSIS OF 245 COMPANIES

THE RECOVERY in corporate profits which got under way in 1982 is clearly reflected in the latest company profits table compiled from 245 companies in the commercial and industrial sectors covered by the FT Actuaries.

The results have been taken from reports of companies with financial years ending between January 1 and March 31 last year. The average annual profits advance of the companies was 13 per cent. The figures are in £m and corresponding results for the previous year are in brackets.

In the "capital goods" sector heavy declines in metals and engineering were offset by high profits in other areas, ranging from a 6.1 per cent rise in motor industry profits to a 44.9 improvement in construction compared with the previous 12 months.

Companies in the "consumer group" performed well overall, showing consistently high profits as a result of increased consumer spending. Dividends rose accordingly.

The financial sectors showed a profit advance of 13.5 per cent, overall, reflecting a mixed picture on a divisional breakdown of the sector.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before Int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	8	3,387.7 (3,036.7)	361.1 (298.3)	286.0 (229.2)	+24.8	113.7 (97.6)	162.1 (116.4)	+39.3	58.9 (46.8)	+25.9	227.2 (178.5)	2,656.2 (2,300.2)	13.6 (13.0)	537.2 (468.9)
CONTRACTING, CONSTRUCTION	6	761.9 (555.9)	62.2 (45.0)	51.0 (35.2)	+44.9	17.8 (12.5)	31.6 (22.0)	+43.6	9.5 (7.3)	+30.1	52.2 (38.9)	342.9 (260.4)	18.1 (16.5)	75.3 (42.7)
ELECTRICALS	16	7,416.8 (6,663.6)	947.6 (835.8)	869.5 (748.0)	+16.2	349.4 (286.5)	506.2 (450.8)	+12.3	110.5 (93.9)	+17.7	607.6 (529.0)	3,280.7 (2,789.4)	28.9 (30.0)	2,464.1 (2,092.5)
ENGINEERING CONTRACTORS	4	*1,013.3 (1,169.9)*	*14.2 (40.4)*	*6.2 (29.4)*	*−82.3*	*3.3 (9.1)*	*1.6 (20.3)*	*−92.1*	5.5 (9.2)	−40.2	7.3 (20.6)	207.6 (209.5)	6.9 (19.3)	35.9 (70.3)
MECHANICAL ENGINEERING	16	3,841.1 (3,695.9)	186.3 (209.9)	90.1 (118.9)	−24.2	52.6 (48.4)	36.1 (66.0)	−45.3	33.6 (40.1)	−16.2	89.0 (107.6)	1,779.7 (1,774.4)	10.5 (11.8)	732.7 (777.3)
METALS AND METAL FORMING	2	1,104.0 (818.1)	66.1 (66.3)	41.6 (52.8)	−21.2	2.4 (9.2)	39.1 (43.6)	−10.3	14.1 (14.0)	+0.7	38.4 (38.4)	590.9 (449.4)	11.2 (14.1)	196.9 (145.5)
MOTORS	7	1,022.3 (861.3)	46.3 (38.7)	31.5 (29.7)	+6.1	9.4 (6.7)	21.8 (23.7)	−8.0	9.3 (8.5)	+9.4	30.3 (34.0)	227.6 (220.0)	20.3 (17.6)	107.3 (97.7)
OTHER INDUSTRIAL MATERIALS	6	*1,488.0 (1,314.2)*	*212.3 (180.0)*	*170.3 (144.0)*	*+18.3*	*59.8 (42.6)*	*104.1 (92.1)*	*+13.0*	40.2 (35.2)	+14.2	112.1 (99.4)	878.4 (791.8)	24.2 (22.7)	244.1 (238.1)
TOTAL CAPITAL GOODS	65	20,035.1 (18,112.6)	1,896.1 (1,709.4)	1,545.2 (1,387.2)	+11.4	608.4 (511.6)	902.6 (834.9)	+8.1	281.6 (255.0)	+10.4	1,164.1 (1,046.4)	9,964.0 (8,795.1)	19.0 (19.4)	4,383.5 (3,933.1)
BREWERS AND DISTILLERS	5	4,838.5 (4,383.4)	538.6 (468.3)	447.1 (378.8)	+18.0	150.9 (103.2)	290.1 (269.8)	+7.5	108.4 (97.5)	+11.2	285.1 (259.8)	3,368.5 (3,209.6)	16.0 (14.6)	1,207.1 (1,153.5)
FOOD MANUFACTURING	8	6,091.2 (5,017.4)	381.2 (325.2)	289.5 (247.0)	+17.2	90.2 (70.8)	192.4 (172.0)	+11.9	73.7 (67.4)	+9.3	255.9 (212.5)	2,277.4 (1,982.4)	16.7 (16.3)	462.1 (486.0)
FOOD RETAILING	5	5,319.7 (4,661.5)	188.5 (155.9)	173.7 (144.0)	+20.6	53.6 (34.0)	120.1 (109.9)	+9.3	33.1 (28.9)	+14.5	140.9 (124.5)	985.5 (850.6)	19.1 (18.6)	−220.6 (−137.9)
HEALTH AND HOUSEHOLD PRODUCTS	5	3,098.4 (2,666.2)	418.4 (356.5)	358.6 (302.6)	+18.4	124.7 (107.7)	229.0 (190.3)	+20.3	87.5 (76.7)	+14.1	214.7 (177.3)	1,548.0 (1,276.4)	27.0 (27.9)	613.0 (559.8)
LEISURE	4	3,117.3 (2,776.7)	218.4 (197.9)	156.3 (141.4)	+10.5	66.2 (47.9)	82.3 (86.6)	−5.0	39.0 (36.5)	+6.8	384.8 (307.0)	1,307.9 (1,210.2)	16.7 (16.4)	38.1 (71.7)
NEWSPAPERS, PUBLISHING	—	—	—	—	—	—	—	—	—	—	—	—	—	—
PACKAGING AND PAPER	3	1,468.5 (1,272.8)	103.0 (85.9)	58.4 (44.9)	+30.1	15.0 (15.4)	26.9 (18.3)	+47.0	10.4 (9.6)	+8.3	71.6 (53.8)	680.7 (691.9)	15.1 (12.4)	142.0 (132.3)
STORES	32	12,518.9 (11,293.7)	917.9 (832.6)	814.9 (764.8)	+6.6	332.9 (294.1)	476.0 (466.9)	+1.9	209.2 (192.4)	+8.7	483.6 (448.8)	5,937.6 (5,284.3)	15.5 (15.8)	1,592.8 (1,512.4)
TEXTILES	9	2,912.0 (2,854.3)	156.2 (163.4)	95.1 (92.7)	+2.6	27.8 (30.7)	54.0 (45.8)	+17.9	19.7 (19.0)	+3.7	107.7 (103.6)	1,159.1 (1,162.5)	13.5 (13.8)	495.5 (505.5)
TOBACCOS	1	1,464.7 (1,132.7)	180.7 (146.8)	140.5 (105.2)	+33.6	47.8 (37.5)	70.9 (49.7)	+42.7	8.3 (6.9)	+20.3	103.0 (75.5)	696.7 (573.6)	25.9 (25.6)	400.0 (358.2)
OTHER CONSUMER	4	214.6 (200.9)	14.6 (14.1)	12.3 (12.0)	+2.5	3.2 (2.8)	8.8 (8.8)	—	2.8 (2.6)	+7.7	12.6 (12.1)	75.8 (69.7)	19.3 (20.2)	25.0 (21.5)
TOTAL CONSUMER GRP	76	41,043.8 (36,248.6)	3,117.5 (2,744.6)	2,546.4 (2,233.6)	+14.0	912.3 (744.1)	1,550.5 (1,418.1)	+9.3	592.1 (537.5)	+10.2	2,029.8 (1,774.9)	18,038.2 (16,311.1)	17.3 (16.8)	4,755.0 (4,642.8)
CHEMICALS	4	707.5 (665.0)	52.8 (45.2)	47.3 (40.3)	+17.4	20.4 (16.5)	26.9 (23.8)	+13.0	9.9 (8.8)	+12.5	29.1 (26.0)	303.8 (284.5)	17.4 (15.9)	127.2 (112.6)
OFFICE EQUIPMENT	2	64.4 (20.6)	10.2 (2.5)	9.4 (2.1)	+347.6	2.6 (0.6)	6.7 (1.5)	+346.7	1.4 (0.5)	+180.0	6.7 (1.9)	22.9 (8.1)	44.5 (32.1)	11.1 (3.1)
SHIPPING AND TRANSPORT	2	— (—)	−2.1 (4.8)	−5.4 (2.8)	—	2.0 (2.0)	−7.4 (0.7)	—	1.3 (1.1)	+18.2	−0.9 (5.4)	88.0 (77.4)	— (6.2)	11.7 (12.0)
MISCELLANEOUS	16	4,384.0 (3,860.8)	399.7 (306.9)	*331.9 (252.0)*	*+31.7*	*103.6 (102.5)*	200.6 (128.2)	+56.5	76.6 (59.8)	+28.1	290.3 (212.1)	2,427.4 (1,894.8)	16.5 (16.2)	410.3 (321.5)
TOTAL INDUSTRIAL GRP	165	66,234.8 (58,907.6)	5,474.2 (4,813.5)	4,474.8 (3,918.0)	+14.2	1,649.5 (1,377.3)	2,679.9 (2,407.2)	+11.3	962.9 (862.7)	+11.6	3,519.1 (3,066.7)	30,844.3 (27,371.1)	17.7 (17.6)	9,698.8 (9,025.1)
OILS	4	— (—)	74.5 (77.4)	45.0 (49.5)	−9.1	10.9 (9.8)	31.4 (36.8)	−14.7	16.8 (14.6)	+15.1	40.8 (45.1)	714.2 (599.5)	10.4 (12.9)	98.9 (99.4)
BANKS	1	— (—)	53.4 (46.7)	44.3 (47.3)	−6.3	7.0 (6.8)	36.8 (40.5)	−9.1	7.9 (6.8)	+16.2	37.8 (39.5)	450.1 (400.2)	11.9 (12.2)	316.7 (276.4)
DISCOUNT HOUSES	1	— (—)	— (—)	— (—)	—	— (—)	1.8 (1.1)	+63.6	0.7 (0.3)	+133.3	— (—)	*8.5 *(7.2)	— (—)	— (—)
INSURANCE (LIFE)	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
INSURANCE BROKERS	2	— (—)	31.7 (27.3)	29.9 (25.6)	+16.8	13.9 (10.8)	15.0 (14.0)	+7.1	6.6 (6.1)	+8.2	16.0 (12.5)	96.0 (80.5)	33.0 (33.9)	6.2 (5.7)
MERCHANT BANKS	6	— (—)	— (—)	— (—)	—	— (—)	53.1 (44.5)	+19.3	18.4 (16.3)	+12.9	— (—)	*7,886.1 *(5,660.5)	— (—)	— (—)
PROPERTY	21	— (—)	260.1 (229.8)	177.7 (151.7)	+17.1	71.5 (60.2)	105.0 (89.8)	+16.9	61.6 (53.7)	+14.7	46.7 (39.6)	4,459.8 (3,932.1)	5.8 (5.8)	46.4 (66.3)
OTHER FINANCIAL	2	— (—)	7.6 (4.4)	4.1 (1.8)	+127.8	1.3 (0.6)	2.7 (1.1)	+145.5	0.8 (0.5)	+60.0	2.1 (0.5)	60.2 (50.0)	12.6 (8.8)	16.6 (8.9)
TOTAL FINANCIAL GROUP	33	— (—)	362.8 (310.2)	256.9 (226.4)	+13.5	93.7 (78.3)	214.4 (191.0)	+12.3	96.0 (83.7)	+14.7	102.6 (92.2)	†5,066.1 †(4,462.8)	7.0 (7.0)	385.9 (3,563)
INVESTMENT TRUSTS	39	— (—)	220.2 (184.7)	181.0 (171.7)	+5.4	66.4 (59.3)	116.3 (110.2)	+5.5	110.5 (105.1)	+5.1	6.0 (5.8)	4,848.1 (3,567.0)	4.5 (5.2)	−30.3 (12.7)
MINING FINANCE	2	419.7 (364.9)	58.7 (68.7)	51.2 (61.3)	−16.5	12.4 (20.7)	37.0 (38.5)	−3.9	11.6 (12.0)	−3.3	41.5 (40.5)	562.4 (407.8)	10.4 (16.8)	101.9 (55.5)
OVERSEAS TRADERS	2	61.2 (27.1)	9.0 (2.7)	5.2 (1.3)	+300.0	3.3 (1.1)	1.0 (−0.1)	—	0.5 (0.5)	+20.0	2.3 (0.2)	46.6 (52.0)	19.7 (4.4)	6.4 (2.5)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the Institute and Faculty of Actuaries, used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments, etc. and Preference dividends and
3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets— excluding intangibles such as goodwill—plus *current assets* less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurance (life and composite).

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

‡ No figures given.

LABOUR NEWS

NGA to receive £420,000 from TUC over Stockport row

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE TRADES Union Congress is making over to the National Graphical Association about £420,000 to meet some of the union's costs arising from the Stockport Messenger closed-shop dispute. Of this, payments of £275,410 are for retired members and the balance of about £145,000 for unemployed members.

The payments were disclosed yesterday in a confidential paper to the TUC's employment policy and organisation committee (Epoc).

They comprise a grant from *the £1m campaign and defence* fund set up by the TUC in April 1982 to fight the Government's labour laws.

The grant leaves the fund with a balance of about £550,000. Payments are earmarked for the Post Office Engineering Union and the National Union of Journalists to help with legal costs arising from court actions.

The NGA grant, however, did not satisfy NGA leaders who attended the Epoc meeting, the first since the committee decided by nine votes to seven to support the NGA in the Messenger dispute.

This decision was repudiated by Mr Len Murray, TUC general secretary. The TUC General Council then reversed the committee's decision.

The NGA did not ask the TUC for further support in the Messenger dispute and received none. Mr Joe Wade, NGA general secretary, said the TUC had reiterated that the only assistance it could give would have to be lawful. He acknowledged TUC financial support but said this did not contribute to help to win the dispute.

The paper before the committee revealed that after discussions between the NGA and the TUC £275,410 has been made over to meet NGA commitments of a £14 annual payment to retired members.

To avoid action by sequestrators, who are prosecuting a High Court decision to seize the NGA's entire assets of more than £11m, the TUC made out 19,748 individual cheques to members on the basis of information supplied by the NGA. These were sent to branch secretaries for distribution.

The balance of about £145,000 is due to be paid to unemployed NGA members. These comprise about 4 per cent of the union's total membership of 130,000.

Under NGA rules they are entitled to receive one-third of normal minimum print rates as benefit, though this has recently been changed, subject to a ballot, to £33 a week to try to contain costs.

These payments are for December only. If the TUC wishes to pay out more money Mr Murray will have to return to Epoc for authorisation.

At the committee no mention was made of suggestions of left-wing "alternative" support for the NGA. There is now a realisation in the union that the Warrington dispute is effectively over. Some NGA leaders saw the purpose of yesterday's meeting as getting the TUC in the union's sights to reverse the General Council's decision.

NGA leaders are confident this can be achieved.

The union is to reimpose picketing, though, at the Messenger's main *plant* in Stockport. Nine NUJ members there who, in support of the NGA, have been refusing to work, yesterday decided not to return to work on Monday in spite of a warning by letter from Mr Eddie Shah, the Messenger group chairman, that he would consider dismis*sing them if they did not do so.*

More miners seek ballot on continued overtime ban

By David Brindle, Labour Staff

PRESSURE for a national ballot on continuation of the miners' overtime ban increased yesterday when a second group of pit winders *threatened to end the sanction* if no vote was held.

A meeting of 25 delegates of the Durham coalfield winders decided to write to the executive of the National Union of Mineworkers calling for ballot on both the ban and the 5.2 per cent pay offer which led to its being imposed.

If the executive does not call a ballot the 800-strong Durham Winding Enginemen's Association plans to convene a conference on January 20 to consider resumption of normal working from January 23.

The winding men usually work overtime at weekends, but have not done so since the ban started on October 31. Some of them said yesterday that individuals had been losing as much as £120 a week.

The Durham winders' decision was put to a meeting of the *40-strong* North Staffordshire winders last night. They have said they will defy the overtime ban from today, and stage a 24-hour strike if fellow NUM members picket collieries

Mr Roy Ottey, secretary of the 6,000-strong power group of the union, was expected to urge the North Staffordshire men at least to defer their action by falling into line with their Durham colleagues' timetable. The NUM executive meets next Thursday.

Mr Arthur Scargill, the NUM president visited Murton Colliery in Durham yesterday and showed no signs of willingness to call a ballot on the overtime ban, which he described as having a "devastating" effect on coal stocks.

However, the National Coal Board maintained that the effect had been "negligible."

It said that on December 1 stocks stood at more than 24m tonnes, a drop of only 1.1 per cent since the ban started.

The NCB said that miners lost a total of £30.6m in earnings in the first nine weeks of the overtime ban. Mr Scargill countered that the NCB had lost £150m in revenue

Woman for TGWU council

BY JOHN LLOYD, INDUSTRIAL EDITOR

A WOMAN has been elected to the general executive council of the Transport and General Workers Union in regional polls which show a slight swing against the council's dominant left group.

Ms Joan Burbidge, a convener at the Wisbech Metal Box plant has taken the second of the two seats in the union's Humberside region. The senior member for the region is Mr Walter Greendale, the union's chairman.

Ms Burbridge is the first woman on the council since the war, and is believed to be the first elected from a region.

Three left-wingers have lost their seats — Mr Douglas Gray from the Midlands, Mr Derek George from the north-west, and Mr James Livingstone from Scotland. Mr Gray, a prominent left-winger, has been replaced by centrist Mr Dennis Mills.

Elections next week for representatives of the union's trade groups may confirm the Centre-Right trend dimly evident in the voting. The union's moderate camp, increasingly at odds with the union's direction, hope this trend will be reflected in the election of a Centrist general secretary when the votes are cast for Mr Moss Evans' successor in May.

Mr Ron Todd, the union's senior national officer, is the main standard bearer of the Left, and Mr George Wright, the Welsh regional secretary, the leader of the Right. Mr Alex Kitson, the TGWU's Left-wing deputy general secretary, who has also declared himself a candidate, has been urged to stand down by regional and national officials on the grounds that he will be only a year away from the retirement age of 65 if he assumes office.

Mr Tod Sullivan, the union's national officer with responsibility for the white collar section ACTSS, who is another candidate for Mr Evans' post, yesterday issued a statement critical of the union's internal management structures, and promised a drastic overhaul if elected.

Mr Sullivan singled out the motor industry, and said the union had "no clear idea on how to help T and G members, and the industry, adapt and grow."

He said: "It is only 16 years from the 21st century yet the union solves problems and makes decisions in the same way as it did when the vehicle builders were making Landau coaches."

Mr Todd, one of Mr Sullivan's main opponents, is best known for his representation of Ford car workers and the attack will be seen as particularly relevant to him.

Mr Sullivan is also arguing for more decentralisation of union decision making through computerisation of the branches and regions, and the granting of more autonomy to shop stewards and district officials.

Happy New Year for equities

After a dull start to the week London markets took their lead from Wall Street and prices started shooting ahead. Thursday was the turning point. Having opened with a gain of 8.4 points the FT Industrial Ordinary Index climbed throughout the day to close 13.3 up at 783.6, leaving the previous peak 7.4 points behind.

The FT-Actuaries All-Share Index, covering the prices of 750 stocks, also hit a peak with a 1.4 per cent rise to 477.44. Even gilt-edged was caught up in the mood of excitement though sterling was having a miserable day on the foreign exchange markets.

Yesterday the scene had barely changed with equities advancing on a broad front. In the euphoria dealers were confidently talking of the FT Industrial Ordinary Index breaking through the 800 level.

It looks as if some of the leading institutions have taken critical decisions over the New Year to put more weight into equities. Certainly, heavy institutional buying was reported.

£78.5m for Candecca

When Candecca Resources announced last week that it had received a takeover approach, Trafalgar House quickly emerged as the City's odds-on favourite as the mystery buyer. This week Trafalgar showed its hand with an equity swop valuing Candecca at £78.5m backed with the blessing of Candecca's board in the absence of anything higher coming forward.

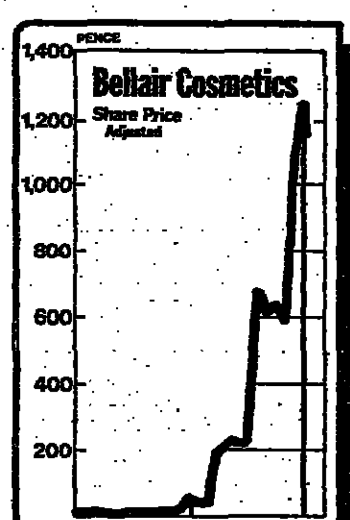
Trafalgar may have looked like an obvious buyer from the outset but the purchase of Candecca is not quite the neat tax fit investors had been anticipating the group to acquire. Last November Trafalgar paid £23m for a near 1 per cent stake in Forties during the BP sale, landing itself a highly taxed income stream. To maximise its returns Trafalgar needs exploration interests.

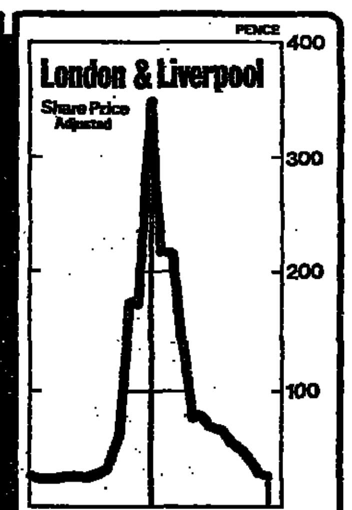
LONDON

ONLOOKER

Candecca certainly has exploration activities, especially onshore, yet its programme is probably no more than sufficient to shelter its own tax liabilities. So, unless Trafalgar is happy writing out fat cheques for petroleum revenue tax, the shaping of its oil division is far from over. It could buy more exploration acreage, perhaps make an outright bid for a pure explorer, try to advance Candecca's onshore programme or even sell some of its Forties stake.

A more interesting guessing game, however, was whether the Candecca deal signalled a waning interest in P & O. Trafalgar's bid for the cruise group is, of course, on ice while the Monopolies Commission investigates. On Thursday, when the oil acquisition was announced, P & O's share price slipped 8p to 240p when the rest of the market was rushing the other way. Trafalgar says that the Candecca deal is irrelevant to any P & O ambitions but any weakness in the target company's price is no doubt most welcome by Trafalgar.





Dunlop's debt

A company asking to raise its borrowing limit to more than 10 times its market capitalisation would normally send shareholders and bankers alike scurrying for bottles of Valium. Yet Dunlop is asking its shareholders to ratify just such a limit.

For years the group has been battling to keep its debt from swamping shrinking shareholders' funds. With a fixed limit of one and a half times net worth, last year's restructuring, taking in the sale of its major tyre manufacturing assets to Sumitomo of Japan and the receivership of the French subsidiary, has dropped the ceiling on borrowings to around £450m.

Dunlop might just have been able to present a December balance sheet without breaching its limit but 1984 would certainly have seen the barrier busted.

So rather than ask shareholders to step up the borrowing multiple Dunlop has gone the whole hog and abandoned it altogether. In its place comes a new ceiling of £600m irrespective of underlying net worth. At present shareholders' funds are around £300m though that could come down quite dramatically if the new chairman adopts some ruthless write-offs.

The move would leave £150m of headroom between current debt and the new ceiling.

Rejecting bids

In other far-flung corners of the bid world defenders were busy taking pot shots at their predators. Surprise move of the week came when Arthur Bell snaffled up a 29.9 per cent stake in Scotland's private Gleneagles hotels group from British Transport Hotels and launched a £20.24m cash offer.

Bell has caught Gleneagles' management looking the other way but they were quick enough to reject the distiller's offer. Gleneagles is in the middle of putting together a £9.7m rights issue to fund the purchase of the London Piccadilly Hotel from St Martins Property—a subsidiary of the Kuwait Investment Office.

Not surprisingly the KIO, as one of the 16 shareholders in Gleneagles with a 15 per cent stake, has put its weight behind the proposals. Some other holders feel less than enamoured with the rights proposals and Gleneagles' management may need to show some neat footwork to spoil Bell's 225p a share offer.

Even though GKN's £66m agreed offer for motor components group A E has been on hold while the Monopolies Commission investigates, the bid sprang into life again this week. A E's chairman used the platform of his annual report to tell shareholders that he has changed his mind and intends to fight any renewed offer if the Monopolies report waves GKN through. A battle looming?

A more predictable event this week was London Brick's effort to deflect Hanson Trust's £170m bid. Having successfully argued with the Monopolies Commission last year that it should be allowed to bid for non - fletton manufacturer Ibstock Johnsen, even though it is a monopoly supplier of flettons, London Brick is now hoping that the Commission will come to its defence.

Because Hanson has significant non-fletton capacity, London Brick, as a defender, says the industry should be back under the Commission's microscope. Justification for such a twist looks wafer thin.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	794.3	+18.6	794.3	598.4	Boom in world stock markets
F.T. Gold Mines Index	557.1	−18.6	734.7	444.6	Bullion eases on firm dollar
Armstrong Equipment	27½	+ 4½	28	14	Chinese licensing deal
Baldwin (H. J.)	68	+22	82	8	Int. results/proposed share split
Candecca Resources	195	+15	205	103	Agreed bid from Trafalgar House
Eglington Oil and Gas	390	+55	390	35	Speculative buying
Ingram (Harold)	353	+108	435	18	Following recent Bellair strength
Land Securities	285	+16	285	197	Institutional buying
McLeod Russel	220	+23	220	167	Buoyant tea prices
Medminster	115	+32	115	52	Sudden speculative demand
Oceonics	295	+30	407	260	New Year recommendation
Pyke Holdings	177	+23	185	57	Annual results due Wednesday
Reliant Motor	29	+ 9	35	12	Mintinex acquires 9% stake
Renold	30	+ 6	38	19	H. J. Baldwin stake
RTZ	627	+32	109½	74	Firm metal prices
Scottish & Newcastle Brews.	109xd	+11	109½	74	Revive dbid speculation
Shell Transport	603	+35	640	403	Chinge in Nigerian Govt.
Solex A	102	+15	102	23	Fuel injection plans
Strong and Fisher	144	+39	144	27	Possible Polly Peck link
TSL Thermal Syndicate	62	+18	88	34	Speculative demand

Leaders and laggards

How the mighty fall. This time last year London and Liverpool Trust was winning acclaim as one of the best share performers of 1982. Mr Ron Shuck's plan of transforming the investment trust into an industrial holding company had been abandoned and LLT was embarking on a new career of a high technology and leisure mixture under Jeffrey Bonas. Tele-Jector, big-screen entertainment for pubs, was in its infancy and all was right with the world at LLT.

That was a year ago. Since then LLT made, and later withdrew, an £8m offer for exclusive screening of Football League matches. Serious doubts about the viability of Tele-Jector and criticism of the group's selling methods started to make headlines. LLT's shares fell from grace and just before Christmas Jeffrey Bonas bowed out as chief executive and a director. LLT's share price was the worst performer of 1983.

This week the final chapter was written as Tele-Jector's sales and development operation was shut down leaving a maintenance team to keep the 2,000 screens in order and supply new videos. It is back to supplying photocopiers and other business machines for LLT—and trading on a far less heady share price.

If 1982's winner came a cropper in '83 what does this year hold for 1983's league table winner? Bellair Cosmetics, a loss-making toiletry and cosmetics manufacturer — mainly hair lacquer—has seen its share price rocket from 17p to a peak of £12¼. The story behind the soaring valuation is the arrival of Wasskon, controlled by Turkish businessman Mehmet Tecimer, as a 76 per cent shareholder. Shades of Asil Nadir are what punters are hoping for.

So far all that has happened is that the directors have put out statements saying they are baffled by the rising share price. Another one was made this week. It dropped the price for a day

Gathering pace

NEW YORK

TERRY DODSWORTH

THE SEASONAL torpor which had settled over Wall Street during the Christmas break was abruptly shattered as refreshed money managers returned from their holidays this week. On Wednesday, the market reversed its post-Christmas drift to regain all its lost ground and more. On Thursday, the renewed momentum gathered more and more pace, with dealing records being broken hour after hour. By the end of the day, all previous dealing records had been shattered, as volume reached just under 160m shares, while the Dow Jones Industrial Average, at 1,282.24, was only 5.5 points below its all-time high set at the end of last November.

While this heady volume has put the glint back into the broking community's collective eye, there was no easy explanation for the sudden reversal, apart from the fact that fund managers are flush with funds at this time of the year. In mid-December, many Wall Street sages were expecting the Dow to break through 1,300 by the end of the year, but this sentiment fell foul of the fear that interest rates might be notching their way up again. This is exactly what has happened to rates over the last week: yet the equity market has perversely decided to move in a direction opposite to what was expected.

As always, there are some technical explanations for this behaviour.

At the short end of the interest rate spectrum, the rate on federal funds jumped erratically during the week, apparently because the Federal Reserve Board got its fine tuning wrong over the Christmas period. This is a notoriously difficult period for the reserve bank's operations, since the volatility of the flow of funds within the economy is unusually high. In addition, the short end of the market was under some digestive strain as it swallowed the heavy Treasury funding of the previous week. So the market was not overworried by the exceptional leap which took the funds rate at one stage on Wednesday to around 11.5 per cent, and by Thursday, the rate was easing below 10 per cent, though still above the levels seen at the end of last year.

In the equity market, the bulls also seem to have been winning the argument over medium term interest rate trends which was raging in December. The bearish case is that the huge budget deficit and an overheating economy will drive interest rates up this year, leading eventually to a slow strangulation of the economy.

As the Treasury funnelled through its heavy funding programme in December and the economic indicators kept moving strongly ahead, this view was a strong influence on the market. The counter argument, however, now seems to be gathering steam. It is that the economy is beginning to slow, that there will be no strong inflationary pressures, and that there will be scope for the Fed to ease its monetary constraints within the next few weeks.

The November economic indicators realised last week which showed a 0.4 per cent fall, have given some support to this view, while the clear pressure for a further fall in oil prices is a further indication that inflation is not likely to zoom way.

And corporate profits have still more room for improvement, with some analysts looking for an increase of around 15 per cent this year. These factors, say the enthusiasts, argue for another leg of the bull market, taking the Dow Jones to around 1350.

The equity market has also been enlivened during this season of goodwill by a couple of distinctly unseasonal brawls fielding some exceptionally colourful casts. In the first of these, at Getty Oil, Mr Gordon Getty, reputedly the U.S's richest man, delivered what appeared to be a knockout blow earlier this week to the company's management and other members of his family. In conjunction with Pennzoil, his offer of $110 a share, plus the right to a deferred cash payment worth another $5 a share, seemed to be enough to ensure him control of the company whose management he has severely criticised over the past few months.

Then hey presto, Texaco threw its hat into the ring from nowhere yesterday with a bid which it is unlikely that anyone will be able to refuse — $125 a share in cash. For independent investors whose shares drifted as low as $48¼ over the last 12 months, Mr Getty must be regarded as a man with a touch of gold to equal his father's.

Over at Warner Communications, meanwhile, a power struggle is now developing between some grand masters of takeover strategy. This battle has been looming for some time, ever since Mr Rupert Murdoch, the Australian publishing magnate, began to build up a stake in the company. Crippled by losses of more than $500m in its Atari electronic games subsidiary, Warner has become a prime target for Wall Street vultures. So in the post-Christmas lull it drew up some cunning defences, arranging a cross shareholding deal with Chris-Craft industries

Mr Murdoch roared back from holiday with his guns blazing, threatening to increase his Warner stake to 49.9 per cent, and firing off a letter to the Federal Communications Commission claiming that the Warner-Craft link was not in the best interests of shareholders.

MONDAY	MARKET CLOSED	
TUESDAY	1252.74	— 5.90
WEDNESDAY	1269.05	+16.31
THURSDAY	1282.24	+13.19

Keeping cars off grass verges

BY OUR LEGAL STAFF

I live in a private (unadopted) road without pavements, each house having a grass verge between it and the carriageway. As a shopping area is fairly near cars are frequently parked on these verges. The residents are *considering having a row of* stout wooden posts about 2ft high along the edge of the verge to prevent parking along the road. Would such posts constitute obstruction? If a car knocked one down could the driver be sued for damage *or could he sue the* householder?

As the road is a private road no question of obstruction of a highway will arise. The owner of the posts would have a claim against anyone damaging or removing any post. A driver *would not have a claim so long* as the posts are clearly visible. It would be wise to ensure that the entrance to the road has a clear sign stating that it is a private roadway, that no unauthorised person may use it and that vehicular users must exercise care in passing along the road and keep off the verges.

Crack in the walls

I live in a block of flats which has developed structural faults—cracks in the walls. If the contents of my rented flat are damaged because nothing has been done about the cracks or as a result of any repair work that may be done have I a claim against the landlord for a full compensation or against my insurance company for up to the limit of my comprehensive household policy? Or against both? If so, in what order?

Provided that the landlord or other person liable to carry out structural repairs has been informed of the defect and has not remedied it within a reasonable time of notification, a claim will lie if that person has covenanted with you or your predecessor in title to effect such repairs. We cannot advise as to any liability of your insurers without knowing the precise terms of the policy.

Two houses and CGT

In 1980 I bought a house for *£41,000 plus stamp duty and* legal charges. I took a mortgage and a bridging loan on this property. I then put my existing property, which I had occupied since 1966, on the market, but six months went by without effecting a sale *for same. In desperation I put* them both on the market, on the promise that I had to sell one or the other. As it happens the new house sold, and we did not move from our old house. The sale of the house realised a gross profit after legal expenses of approx £2,700. The local tax inspector contends that this is taxable, but I contend that as it was bought for my sole residence even though we did not occupy same this is not so. *I should be grateful if you could* give a ruling on this. As the house was five miles away I visited it every day, if my gain is not allowable would my mileage be allowed at an appropriate rate and also my gas and electricity standing charges.

Unless you slept in the new house on one or two occasions, the gain is indeed taxable (with no relief for travelling expenses, gas or electricity charges) we are sorry to say. The exemption rules in section 101 of the Capital Gains Tax Act 1979 are quite arbitrary, unfortunately.

Similarly, you are not entitled to income tax relief on the interest which you paid on the bridging loan and the mortgage of the new house. The rules in part II of Schedule I to the Finance Act 1974 are just as arbitrary as the CGT rules: the question of fairness does not arise.

To check this unwelcome answer, you should ask the inspector for the free pamphlets CGT4 (Owner-occupied houses) and IR11 (Tax treatment of *interest paid*).

You may wish to write to your MP, suggesting modifications to the arbitrary CGT and income tax rules, to help other taxpayers faced with problems like yours.

In offering you our sympathy, we may say that it is most unfortunate that the solicitor who acted for you in the purchase, mortgage and sale did not think of warning you about the prospective tax consequences. This ought to have been an integral part of his or her conveyancing services, so there is a prima facie case of negligence to answer.

Any reasonably responsible solicitor undertaking private conveyancing work will automatically give his or her client a copy of the free Inland Revenue leaflet CGT4 (Owner-occupied *houses*), or at least *make sure* that the client has obtained a copy direct from the tax office. If you had read the leaflet, you would have realised the importance of sleeping in the new house *for a few days and then* electing under section 101 (5) (a) of the Capital Gains Tax Act 1979, within two years.

Photocopies accepted

As I am now over 70, I am concerned at the amount of time required to check, list and type all the items of investment income for myself and my wife in connection with our income tax return. My bank informs me that it is no longer sending dividend warrants with my monthly statement, but will provide these at the end of the fiscal year, and this will increase the amount of work in preparing the return. I am loath to hand this work to its Trustee Department in view of the high fees, neither do I wish to put my investments entirely in the hands of a stockbroker discretionary service. I should much appreciate it if you would advise me whether you consider the Inland Revenue will accept photocopies of a bank statement *if all investment* income were paid into a special bank account, e.g. The Bank of Scotland interest bearing current account or alternatively any other organisations which might assist.

Yes, an arrangement along these lines should satisfy your inspector (although it is probably not what the law requires). Why not ask the inspector? You may like to write to the Inland Revenue Public Inquiry Room, West Wing, Somerset House, Strand, London WC2R 1LB, for a copy of SP5/83 (*Use* of schedules in making *personal* tax return).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Gifts to charity

I have read in a recent issue of an article headed "Advice for willing oldies" (and appreciate the double entendre of "willing"). The article seems to imply that cash gifts to charity can entitle the donor to income tax relief. I am seventy-five years old, I pay tax at the lowest rate, but for each of the past three years I've made a gift of five thousand to one charity or another. I'm afraid, since my retirement, I've considered it a non-affordable luxury to employ an accountant. Could you please give me information about my entitlement to relief (or otherwise) for these donations, which I hope to continue, *although on a considerably* reduced scale?

The simple solution would be to execute a deed of covenant (for at least three-years-and-a-day). Write to the Charities Aid Foundation, whose advertisements you have no doubt seen from time to time, or to the charities of your choice (if you wish to benefit the same charities each year, for the next four years).

Cautiously into the New Year

MINING

GEORGE MILLING STANLEY

IT WOULD BE NICE at the start of the New Year to strike on optimistic note—nice, but irresponsible.

There are undeniably some hopeful signs at the beginning of 1984 that the mining industry will have a better year than it has suffered recently, but the recovery process in the fortunes of the world's mining companies looks likely to be at best *slow* and *uncertain*, at least for the time being.

The one thing that can be said with any degree of assurance is that the auguries for the industry are better at the start of this year than in either of the last two, but true recovery, in the shape of a return to peak profits and dividends, *still depends on a* number of imponderables—too many for complacency.

The principal determinant of demand for metals and minerals is still the economic health of the industrialised world. It is vital, then, for the fortunes of the mining industry that the upturn in economic activity in the U.S. be both robust and sustained.

Neither of these is guaranteed, although the chances are good that in a presidential election year, the administration will do its utmost to ensure that the momentum is maintained.

The problem at present is that it is by no means certain that the U.S. upturn is anything other than a consumer-led boom, as there has so far been little sign of any significant follow-through into the capital goods sector.

A rise in consumer spending of the magnitude we are now seeing in the U.S. is all very well, and often presages a genuine economic recovery. But it is capital investment that is needed if metal prices are to rise appreciably over the long term, and America's high interest rates are having a perceptibly depressing effect on that.

It is also vital that the same process be followed in the other leading industrialised countries of the world. The economic indicators are mostly pointing in the right direction, but the upturn has still to demonstrate both its stamina and a spread into capital goods.

If all of these factors combine, there will be a real recovery in base metal prices, rather than just the speculative surges we have observed over the past few months.

The feeling is growing, however, that there will not in the near term be a return to the exciting days of the 1970s. There is now so much idle capacity in the mining industry that all but the most wildly *optimistic projections of* demand can be met from existing resources, so that as demand picks up, facilities will be reopened to meet it.

This, in turn, will temper the pace at which metal prices rise. That would suit the companies admirably, as a steadily rising trend is much easier to accommodate than the price volatility of the last few years, but it will deter the speculators.

Increasing attention has been paid in recent years to the question of the apparently inexorable rise in mine operating costs.

The recession has forced many mining companies to take even more notice of this factor in their operations, and they have *used the opportunity to improve* their efficiencies. There may still be more that can be done, and costs will definitely be one of the watchwords of the coming year.

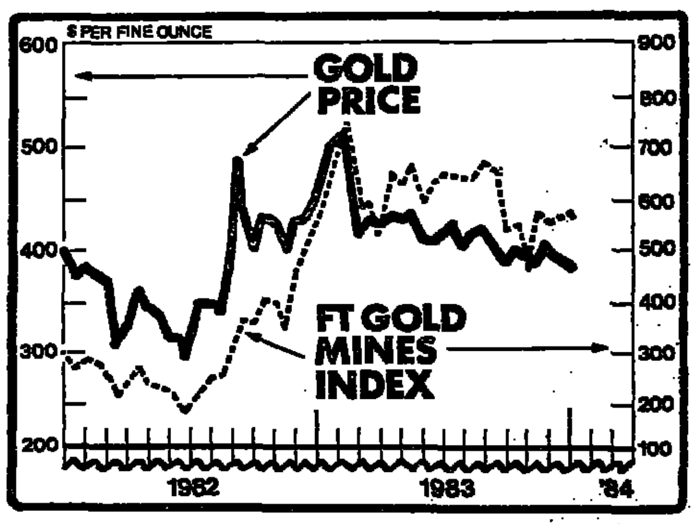
That, then, is the picture as far as prospects for base metals are concerned, but what of gold? The consensus seems to be that the metal has shown remarkable resilience in the face of a number of factors which would normally be regarded as likely to depress the price.

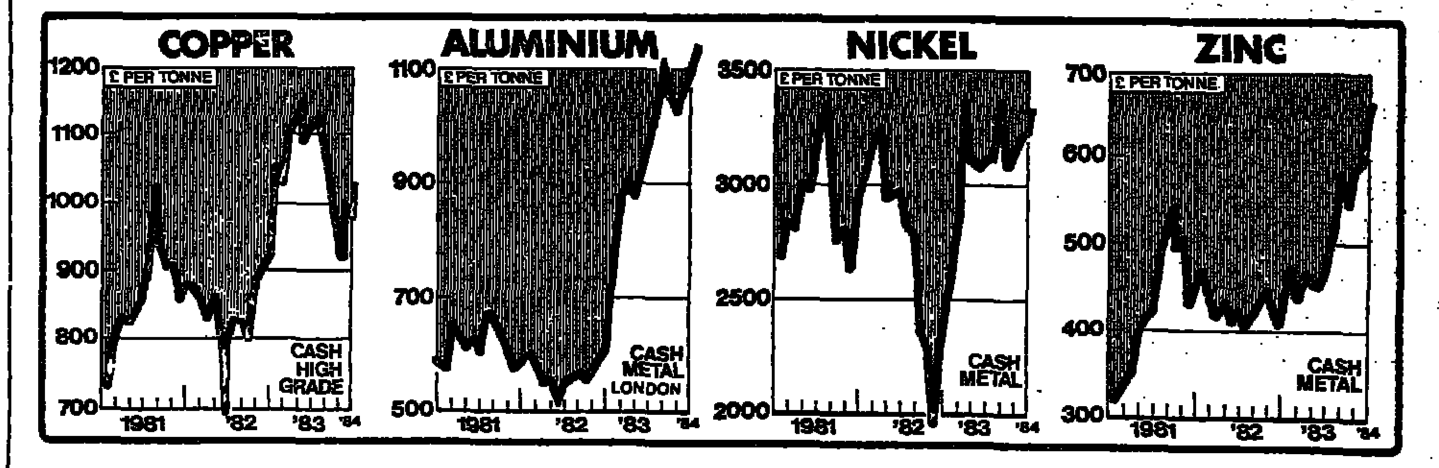
That, in itself, is providing a degree of comfort for the producers. One reason for this phenomenon must surely be the spectre of a major default by a third world debtor country, which has certainly not gone away yet.

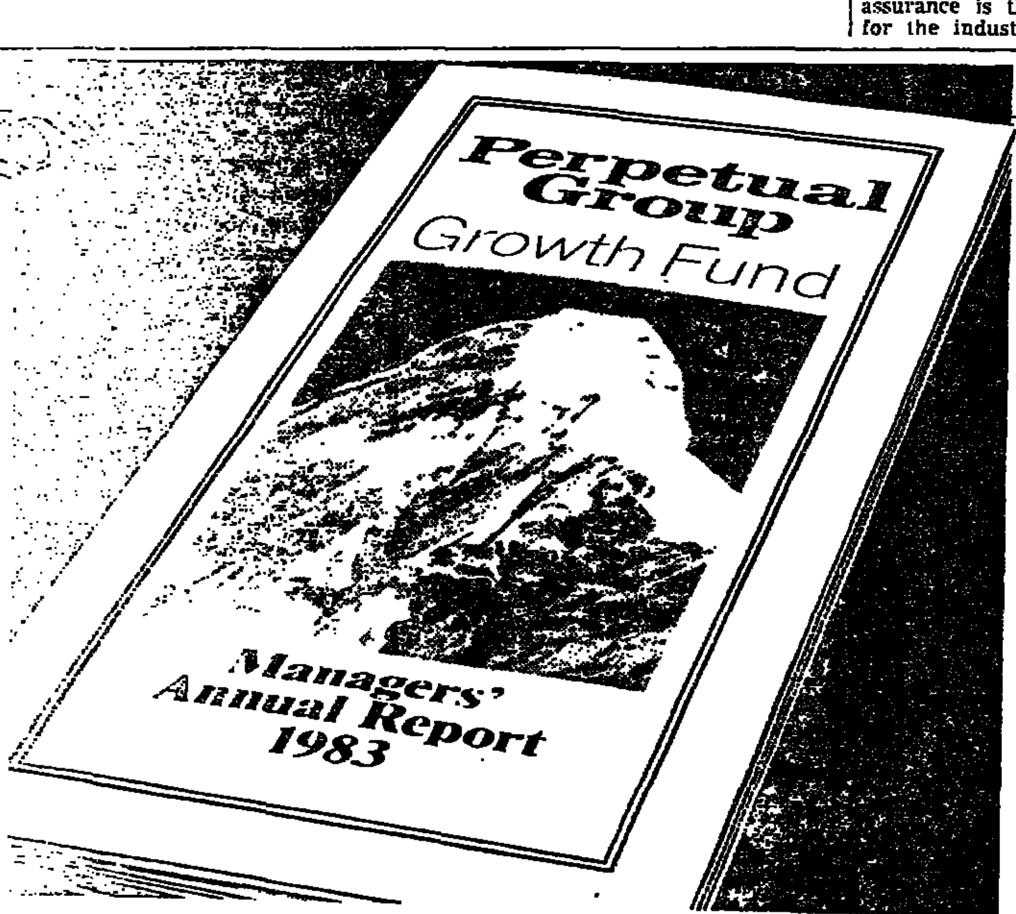
In some cases, this will be a depressant for the gold price, as some countries may find themselves forced to sell gold from their reserves in order to continue to service their ever-increasing debts.

Turning finally to diamonds, prospects must be a little brighter than of late if the recovery continues in the U.S., which is by far the most important market.

Here, however, it is probably best to await the release of the full-year diamond sales figures for 1983







UK CONVERTIBLE STOCK 7/1/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	352.50	333.3	80-88	3.4		− 5.6	− 6 to 2	35.4	42.0	1.8	+ 7.3
Hanson Tr. 9½pc Cv. 01-06	81.54	268.50	107.1	85-01	3.7	0.2	− 2.5	−12 to −3	168.6	73.8	−34.4	−31.9
Slough Ests. 10pc Cv. 87-90	5.03	266.50	234.4	78-85	3.8		−11.9	−12 to −5	18.4	9.2	− 3.1	+ 8.8
Slough Ests. 8pc Cv. 91-94	24.72	123.50	97.5	80-89	6.5	4.3	− 1.8	− 2 to 6	26.3	29.7	2.7	+ 4.5

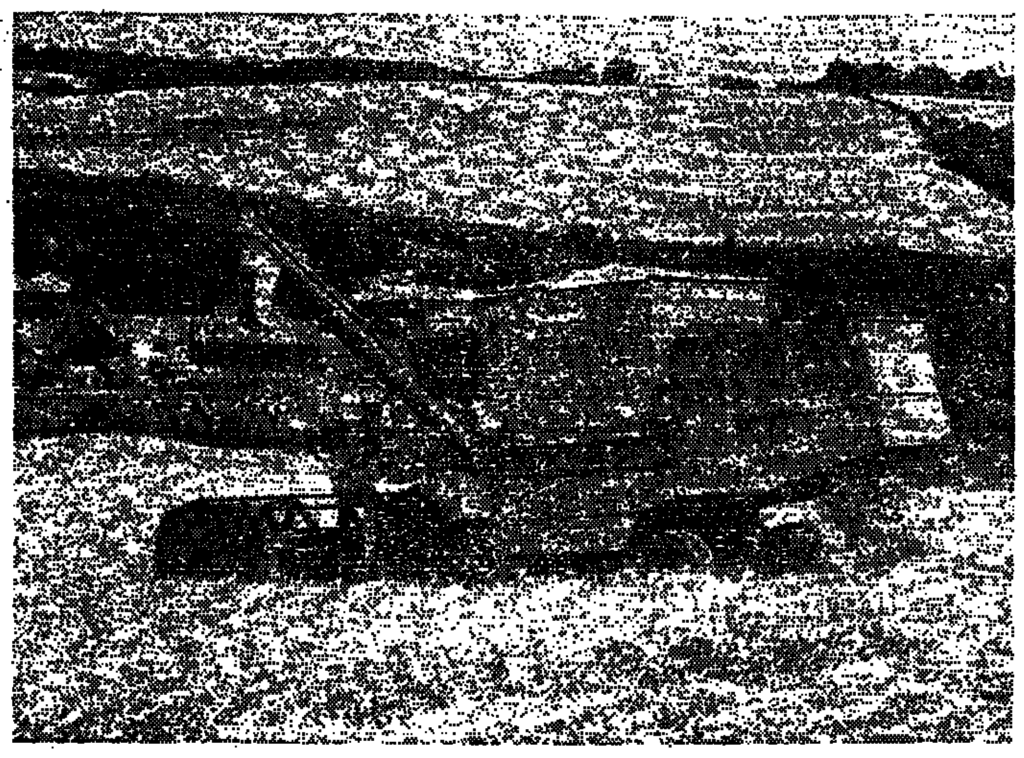
* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

SAVINGS OFFERS

هكذا صن الأصل

Investing down on the farm

TIM DICKSON looks at the latest developments in the Business Expansion Scheme



Leonard Burt

Working on the farm for business expansion

The Business Expansion Scheme (BES) proved a bonanza for fund managers in 1983—29 professionally managed BES funds had pulled in around £30m at the last count. So with the financial year end now approaching new opportunities for individuals to take advantage of this measure will no doubt continue to be promoted.

Hill Samuel was quick off the mark this week with Beechbank Farmers—a new business which is seeking up to £15m of equity capital from private investors, although anything over £2.5m will do. The promoters are confident that Beechbank will qualify under the Business Expansion Scheme, which will enable individuals to claim tax relief at their top marginal rate against income in the current year.

The offer for subscription, which runs to February 15, could nevertheless fuel the complaints of those who believe that the BES is being exploited by too many property-based businesses, such as farming. (Associated Farmers has already scooped up £2m for investment in East Anglia.)

Although the BES legislation was widened in last year's Finance Act to include established companies, as well as new ones, many in the City of London and in Westminster believe the scheme was primarily intended to help new high risk enterprises, previously cut off from traditional sources of risk capital.

As the manager of a small BES fund remarked on hearing of Beechbank: "Surely this means that I should put my investors straight into farming and be pretty well assured of a solid return, ignoring all the interesting but high risk, high tech enterprises knocking on my door."

In spite of the uncertainties faced by farmers—surely it was a little unnecessary to inform potential shareholders in the prospectus that the weather is an uncontrollable factor—Hill Samuel's timing could be good. Thanks to the tax relief under the BES, which is only granted if the investment is held for five years, shareholders would still make a healthy return if land values merely marked time.

Moreover with a successful £39m Agricultural Property Unit Trust for pension funds and charities run by its Investment Management subsidiary, Hill Samuel men can also brush aside suggestions that they are City slickers dabbling in areas outside their ken.

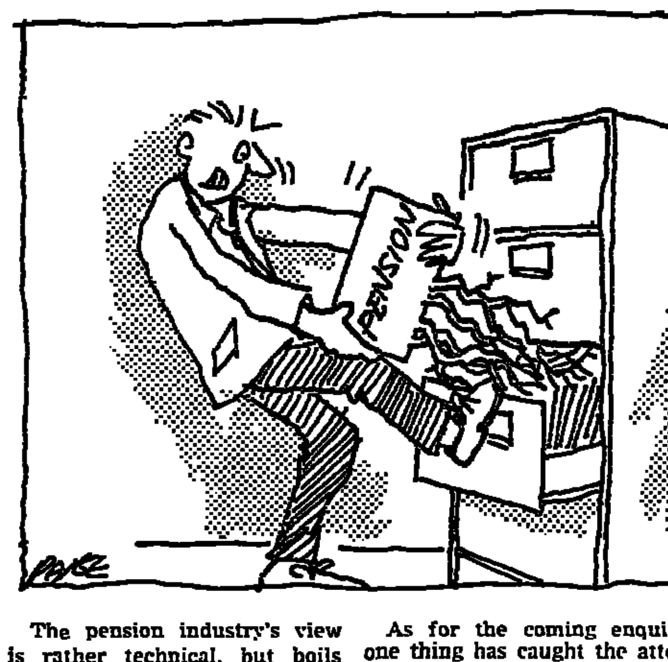
Direct comparison is unfair because Beechbank will only buy land with vacant possession, whereas the unit trust has tenanted farms in its portfolio as well. Returns per hectare from farms farmed in partnership with the Velcourt Group—whose subsidiary Velcourt Management Services is being retained as adviser to Beechbank—show that its performance has consistently been above average over the last six years. Savills, meanwhile, will advise Beechbank on the purchase of farms and overall farming policy.

Beechbank says that it intends to farm "not less than approximately 1,000 acres" of good quality arable land—principal crops wheat, barley, oil seed rape, sugar beet and potatoes—concentrated on the Eastern half of Britain.

Portable pensions: Norman Fowler wants to know what you think.

Tony Jackson reports

Is retirement going to the devil?



THE ATTENTIVE reader of the financial Press might have noticed this week a slightly unusual advertisement from the Department of Health and Social Security. Mr Norman Fowler, the Secretary of State, is bending his mind to the vexed question of portable pensions. He wants everyone with a view on the topic, whether organisations or individuals, to make their opinions known to him.

The enquiry forms the first part of a general investigation of the issue of pensions in this country. Not only is it top of the agenda, but it also appears to be uncommonly urgent. Evidence has to reach the DHSS by the end of this month, and conclusions are to be reached by the spring.

All this seems rather sudden, but there are hidden forces at work. The issue of portable pensions—the ability to have one's own pension independent of company schemes—is an emotive one. For the libertarian right wing of the Tory party, the ability of the individual to identify his pension rights, and to carry them around from employer to employer, should be a fundamental entitlement. For the people who actually run the pensions industry, the notion smacks of the devil, and threatens the security of the nation's pensioners.

The pension industry's view is rather technical, but boils down to the difference between a pension based on salary, and one based purely on the investment performance of the individual's pension savings. The final salary system, though costly, is felt to have grown up in this country through popular demand; the money purchase system, which it replaced, is felt to have the central disadvantage of leaving the pensioner unsure of what his pension will actually be. And any of the portable pension systems so far proposed have been based on money purchase.

As for the coming enquiry, one thing has caught the attention of pension industry professionals. The sub-committee which is to pronounce on the question of portable pensions does not contain any of them. Worse, it contains members of "the enemy," the insurance companies, who are just the ones to benefit from a break up of the pension funds and a shift to portability. In fact, one of the sub-committee members, Mr Mark Weinberg of Hambro Life, went on the record at last September's government conference on pensions on that very point, describing himself meanwhile as "commercial and not ashamed of it."

Not, of course, that the members have been appointed in a prejudicial way. Indeed, another member, Professor Alan Peacock, responded to just this charge at a recent CBI conference on pensions. "If I had thought I was being appointed as a stool-pigeon," he said, "I would not have accepted the invitation."

Beyond doubt, however, the exclusion of the old guard of the pensions industry is a sharp rebuff. Evidently, the Government—and especially, it is claimed, the Treasury—is tired of having its radical views on personal freedom blocked on grounds of conventional practicality.

As to the degree of hurry in the inquiry, the forthcoming Budget is cited as the main reason—much of the enabling legislation for portable pensions would have to come in the Finance Act. The Treasury, perhaps, wants to clear the ground in advance. The DHSS—which is very firmly in the camp of the pension industry—is perhaps going along on the assumption that the bulk of evidence received will be hostile to the portable pension concept.

Those readers with views of their own should address them to: **Nick Montagu, The Inquiry into Provision for Retirement, Room 52, Hanibal House, Elephant and Castle, London SE1 6TE.**

Mr Montagu can supply further information before evidence is submitted. The closing date is January 31.

UNIT TRUSTS

DTI fires a warning shot

UNIT TRUST groups hoping to attract or hold on to some of the millions invested in roll currency funds through authorised gilt unit trusts have been warned by the Department of Trade and Industry not to overstep the rules laid down by the Inland Revenue.

The warning was given in a letter sent by the DTI to the Unit Trust Association shortly before Christmas.

It pointed out that a manager who pursued an active trading policy on his portfolio ran the risk of being classified as a trader in stocks instead of being treated as an investor. This would mean that all profits, both income and capital gains, would be taxed at the 52 per cent Corporation Tax rate.

The DTI is firing a warning shot at those groups offering Gilt Growth funds. Gilt unit trusts have been on the market for a few years now. But the new vehicle coming on to the market is a type of gilt fund offering capital growth with very low yields.

Such funds offer yields around or even below 1 per cent, thus channelling all the investment return into capital growth. Such a fund is attractive to higher rate taxpayers, which pay capital gains tax only on cash-in while the trust itself is free of Capital Gains Tax and pays income tax at 30 per cent.

But funds to achieve this investment pattern have to be active traders in gilt stocks and take every opportunity to take capital profit and to minimise dividend payments so that they do little more than meet the charges and expenses of the managers.

In short these funds are the nearest that an authorised unit trust can get to the offshore roll-up funds. Indeed this claim is made in at least one advertisement.

The only problem facing investment managers is that the Revenue has never stated categorically what is the dividing line between active investment and trading.

Pension funds have had to live with this situation for decades. They too face the problem that if they overtrade they could be taxed as traders. But all attempts to get further clarification between investment and trading have failed.

The result is that pension fund managers, in general, tend to be cautious in their gilt edge dealings, such as in selling a stock shortly before the xd date.

Unit trust investors do not want their investment managers to become cautious. The reason for investing in gilt funds is to secure as high a capital profit as possible.

So what happens now? The UTA committee has yet to discuss its reaction to the letter. As yet it has just sent copies to all its member management groups. But it is likely to seek meetings with the DTI and the Revenue

Here is an opportunity for the UTA to explain to the Revenue the difference between investment and trading and to get from the Revenue some clear guidelines on the subject. But if the Revenue run true to form, the only response will be that each case has to be decided individually.

This is not much help to investors considering these funds. It would be disastrous if their trust were hit by the Revenue for trading, yet they do not want a fund where a cautious policy is adopted because of the Revenue threat.

The investment managers looking after some of these gilt funds strenuously defend their activities and claim to be able to justify each switch made to their portfolio on investment grounds. They say that they will carry on as before.

But at the end of the day they may have to convince the Revenue rather than the press and the public. The turnover in their portfolios does appear high at least to a layman.

These events should not stop investors from looking at these funds as an alternative to the roll up funds or as an investment for higher rate taxpayers. But they should check closely into the investment policy.

Eric Short

The aftermath of MIRAS: **Eric Short** reports

Borrowers opt for endowments

BORROWERS have a choice in the method they adopt to repay their house mortgage from a building society.

They can repay the borrowed capital over the term of the mortgage, combining these repayments with the monthly interest payments on the capital outstanding—an arrangement known as the repayment method.

Or they can pay only the interest on the loan to the building society over the term of the mortgage, and repay the loan in a single lump at the end of the period out of the maturity proceds of a life policy—known as the endowment method.

It now appears that the majority of new borrowers are using the endowment method following the introduction last April of the new system of crediting tax relief on mortgage interest known as MIRAS—Mortgage Interest Relief at Source.

In the pre-MIRAS days around 25 per cent of borrowers used the endowment method, though proportions varied considerably between building societies. Now, around 60 per cent opt for the endowment alternative.

Life companies operating in the UK last year enjoyed a boom in sales of low cost endowment contracts used to repay house mortgages. They are looking forward to that boom continuing over the next few years.

The building societies all insist that the various methods of repayment are explained to borrowers, but there is a feeling that more emphasis is being given to the endowment method than previously and that borrowers do not fully undedstand the consequences of the various methods—which is not surprising, because they are all rather complicated.

The first major complication is that there are now two repayment methods, whereas in pre-MIRAS days there was just one. Under the old system the repayment method consisted of the borrower paying a constant monthly contribution to the building society (until mortgage rates changed). This consisted of the gross interest element on the capital outstanding, with the balance of the contribution being used to reduce the capital outstanding.

The borrower received tax relief on his interest payments through an adjustment to his PAYE code. The effect was that although gross payments were constant, net payments rose during the period of the loan because the interest payments progressively fell as capital was repaid.

Under MIRAS, the borrower pays interest net of basic rate tax to the building society. So if there had been a straight conversion, the borrower would have made increasing payments to the building society, mirroring the profit of net instalments before MIRAS.

However, the majority of building societies wanted a system of constant payments, so they persuaded the Government to accept a system which averages out the tax relief over the term of the loan with the borrower making level net payments.

The method involving increasing payments is generally known as the gross profile method, while the level net payment is called the constant net annuity or the net rate annuity. However, these names are not standard and certain societies may use different descriptions.

The table compares monthly payments for both repayment methods. Initial payments in the early years are lower under the gross profile method compared with the constant net annuity. This is often an important feature for borrowers, particularly first time buyers.

Yet the majority of building societies admit that they only make the gross profile method available if the borrower specifically insists on using it. Explanations to borrowers are confined to comparing the constant net method with the endowment method. Some societies including Halifax and Anglia do explain both in their pamphlets, though they say they would prefer borrowers to use the constant method.

The one maverick among the top 10 societies is National and Provincial which offers only the gross profile method.

The endowment method is easier to explain. The borrower simply makes net interest payments to the building society and net premiums to the selected life company.

COMPARISON OF MORTGAGE REPAYMENT COSTS
(£25,000 mortgage over 25 years, borrower aged 34—monthly costs)

Interest	Repayment methods interest rate 11¼% gross 7.875% net: (a) Gross profile	(b) Constant net annuity		Endowment method interest rate 11¼% gross 8.225% net
	£	£		£
1st year	181.59	193.08		171.35
5th year	184.38	"		"
10th year	190.06	"		"
15th year	199.72	"		"
20th year	216.19	"		"
25th year	244.26	"		"
Cost of term cover*	4.68	4.68	Endowment premium	30.81
			Estimated cash surplus*	19,072

*Based on current premiums and bonus rates of Norwich Union Insurance.

Almost all endowment repayments use what is know as the low cost endowment policy for repayment. Here the premiums are calculated to produce an estimated maturity value on the conservative bonus assumption of 80 per cent of current annual reversionary bonus rates. Terminal bonuses are not taken into account.

Thus when the policy matures, the value should be more than enough to repay the mortgage, leaving a tidy sum over for the borrower.

The main problem with the endowment method is selecting the best life company. Some building societies still recommend life companies whose performance does not bring them in the top 10.

Building society officials still compare the costs of each method by simply adding up the total payments made each month in money terms. Under this system the constant net annuity shows a slightly lower monetary figure than the gross profile while the endowment method often comes out best allowing for the surplus at the end.

But inflation makes a nonsense of such an exercise, particularly with the endowment method where the surplus is shown in pound values of 25 years' time, probably worth only a fraction of the quoted value in real terms.

The other feature of the endowment method is that it is more volatile in the event of mortgage rate changes and less flexible than either repayment method.

So if the borrower considers that interest rates are going to rise, he should be wary of the endowment method.

All these features should be explained to borrowers with examples involving not only current mortgage rates, but the effect of changes in mortgage rates up and down. If the comparison is made properly it will involve considerable thought and explanation taking a lot of time. But it could prevent the borrower paying more than necessary.

View of Holborn in Bermuda

WILLIAM DAWKINS looks at offshore roll-up fines under the new tax rules

BERMUDA USED to be right at the heart of the fiscal triangle — an apparently mysterious offshore area inside which large chunks of UK income tax liability could be made to vanish without trace.

The trick, which sadly for investors is no longer allowed, was actually quite simple. Funds based offshore in Bermuda or anywhere else outside the UK could roll up the interest on their investments (normally subject to income tax of up to 75 per cent) into lightly taxed capital gains.

The clampdown on offshore roll-up funds announced last November, under which both interest and capital gains will be subject to higher rate income tax, has sent fund managers scurrying to seek new ways of minimising investors' tax liabilities.

One of the first of the fund management groups to emerge is Vanbrugh, which today launches its Bermuda-based Holborn Currency Fund. Under the new tax rules, offshore funds which distribute interest and capital gains may have both kinds of income taxed separately at their respective rates.

The old roll-up funds which retain both kinds of income for reinvestment instead of distributing them will be subject to income tax across the board, as will some other kinds of offshore investments.

The Inland Revenue has indicated that Holborn is likely to be exempt from the new rules because it will distribute to shareholders all income and capital gains as they arise. The taxman is not giving any more definite guarantees to any offshore funds until they have completed their first tax year.

Holborn is offering two kinds of shares. Managed shares are designed for investors who want to leave currency switching decisions to the managers.

They can be denominated in dollars or sterling, for which the minimum investment is £1,000, and attract an initial charge of 5 per cent of the subscription price, plus an annual management fee of ¾ per cent.

Until January 31, investors in any other offshore funds can switch to Holborn free of the initial charge, and a 1 percentage point discount is on offer to investors joining befoze January 20.

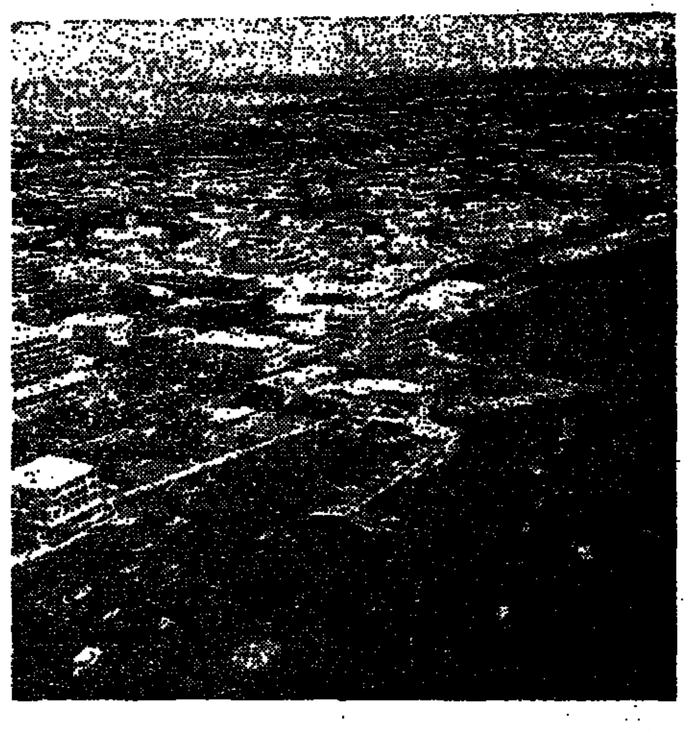
Deposit shares simply buy you a money market account in your choice of sterling, dollars, Deutsche Marks, Swiss Francs or Yen.

The managers will not change the currency of your choice, but they will be able to purchase currencies at competitive rates and invest at better interest rates than would be available to the individual — all for an annual fee of ¾ per cent of asset value, with no initial charge.

The fund will be advised by a subsidiary of Prudential Portfolio Managers (PPM), which manages the £1.3bn international portfolio of the Prudential life assurance group. PPM is the investment advisor to Vanbrugh Currency Fund, which in the year to last December 1 achieved a total return of 12.4 per cent, putting it in the middle of the currency fund performance charts.

But it is worth bearing in mind that investments of this kind can be volatile. Since the only way to get a high return is to rely on speculative currency gains, there is no guarantee that you will not also be saddled with losses at times.

Certainly, UK investors must accept that they will not be getting anything like as good a deal as was possible under the old roll-up tax regime. The managers, of course, recognise this, and will be directing a substantial part of their marketing efforts towards expatriates.



The harbour of Bermuda's capital, Hamilton

The white economy

NEW GROUND was broken this week in the field of mortgage repayment when Royal London Mutual Insurance Society launched its Endowment Economy Plus—a new form of low cost endowment plan.

Low cost endowments are now the standard life contract used for repaying mortgages by the endowment method.

The basic policy is a with-profits endowment where the estimated maturity value on conservative bonus assumptions is sufficient to repay the mortgage. The general level of bonus rate which building societies will accept is 80 per cent of the current annual reversionary bonus with no allowance for terminal bonuses paid when the policy matures.

Such a contract keeps premiums low while providing financial security that is satisfactory to building societies. There is always the possibility that bonus rates will fall in the future. But it is felt that the terminal bonus and the margin provided by 20 per cent of the current reversionary bonus are sufficient.

Indeed if current bonus rates are maintained in future years, a low cost endowment will not only pay off the mortgage but provide a tidy cash sum to the borrower.

But many borrowers still want a contract that has as low a premium as possible rather than one that provides a sizable lump sum at the end. Royal London last year sold over 13,000 low cost policies with annual premiums of over £5m (triple that of 1982) almost entirely through its own agents. It has been getting a strong feedback from its field force, suggesting a desire from the public for lower premiums.

So it designed Endowment Economy plus, under which the estimated maturity value is calculated on the full current annual bonus rate. It has persuaded several building societies, including the Halifax and Abbey National, that the terminal bonus in itself provides a sufficient safety margin. Premiums are cut by around 10 per cent as a result.

At present the terminal bonus accounts for around one-third of the maturity value of a Royal London 25 year policy. But if the company has to cut its annual bonus, then it will increase the premiums so that the mortgage can be covered. This is a new departure for traditional life contracts.

E.S.

Buying and selling the sun

BY JUNE FIELD

Bungalows at Playa Bastian, with its palm-fringed sands, on Lanzarote in the Canary Islands. They sell from around £20,000 through Derek Ashworth, director, Ladyland S.L., Waterlands, Sidlow, Reigate, Surrey

HOW WAS business last year for those who specialise in selling homes in the sun?

Just about as varied as the home market here it would appear, and with so much on offer throughout the major resort centres of Spain, Portugal and France, competition for sales is fierce.

But those seriously searching for a property abroad, usually buy something, say most British agents and overseas developers who regularly run inspection trips to places in the sun.

Almost anything in the lower bracket (£18,000 to £20,000 or so), is contributing to what one agent called "a more than satisfactory year."

What sort of people buy holiday or retirement homes overseas? A decade ago, the age range would have been around 45-55 years, says Geoffrey Pilgrem, who specialises in properties in Ibiza. (Through Vorence, 53-55, North Street, Horsham, Sussex.)

"Now it is nearer 35 to 45. But the type of person buying has not changed a great deal, particularly in the popular £25,000 to £35,000 bracket which should buy a small apartment on Ibiza, with a bit more needed for a small villa.

"In the main those seriously thinking of buying are well-travelled, usually self-employed, and because they have worked hard for their money, they expect good value for it."

Spain continues to be the most popular place to buy. Almost any Friday evening sees the Iberia 5.40 pm flight Heathrow to Malaga packed with would-be punters anxious to snap up the latest offerings off the Marbella/Cadiz road.

I have spoken to many of them on their return flight (it is not difficult to spot the agent or developer-escorted parties, they are the ones where the champagne is flowing), and the sales success rate is nearly always high.

Fincasol, a Salisbury, England and Spanish-based company, is stepping up construction of individual villas on the Costa del Sol. John O'Sullivan, recently appointed director in Britain, is marketing a new "design and build" operation which provides one-off homes on the Sotogrande estate near Gibraltar. Prices are from £50,000 to £1m, depending on how lavish you want the house to be.

Ladyland, British developers of Playa Bastian on Lanzarote in the Spanish Canaries, report that sales have been steady since I first saw the pleasant complex of villas building last year. Prices there are from about £20,000 upwards for a small place.

Director Derek Ashworth, based at Waterlands, Sidlow, Reigate, Surrey, says that the beach-side development has attracted UK and German buyers—the latter more drawn to the apartments which a German development company, Palmaterra, will be constructing on part of the site.

"By selling land to another group we hope that this will create a more cosmopolitan mix of people as well as generally speeding up the building process."

The sale of properties in the Portuguese Algarve has picked up tremendously because many people feel that they would like to buy in a country where development has been moving at a *slower rate than on the coasts* of other countries.

The newly-formed Euro Property Advisers is concentrating on a wide range of homes in Portugal, Spain and France. Director Jennie Pinder, in association with Simon Agace, proprietor of Winkworth and Co. 289, Brompton Road, SW3, hope to take the sting out of buying property abroad, wherever it is situated.

"We want to make the whole thing as trouble-free and enjoyable an event as possible—rather than a traumatic undertaking, which it can be if sufficient care is not taken in the initial stages."

The company has prepared a package of services concerning legal procedures, insurance, furnishing, management, letting and so on, plus advice on the financial implications of permanent residency overseas.

"Before making such an important decision, you need to select the area and type of property *required with great care*, taking into account the sort of life-style you want."

A useful leaflet "Guide to Choosing Property Abroad" free from Jennie Pinder, Euro Property Advisers, 27a, New Street, Salisbury, Wiltshire (0722 330847), spells it all out. For property listings, name the country you are interested in, and the price bracket. Euro Property's range is from £15,000 in the Costa del Sol to £200,000-plus for a fortified manor house *at the foot of Mount Aigoual* with a frontage to the trout river Le Bethuzon in rural France.

"In general business has been quieter during the last 12 months than in previous years," says Bruce MacEacharn, chartered surveyor partner in Chestertons. It runs an overseas side from Kensington High Street, W8, concentrating on an international market.

"For instance the initial euphoria of owning a home in the Florida sun-belt in which to spend some of the winter months, has waned. It was soon realised that the near 10-hour flight from London, plus the cost involved in getting there was hardly the thing for a weekend break, even a long one."

In France, Chestertons deals mainly with new developments on the coast, with studio apartments starting from about £25,000. "For the first time the French are offering incentives to help cash-flow moving, something quite novel for them.

"They will not actually offer you the car in the garage, but they might throw in the garage," says MacEacharn. He reports that prices of re-sale villas around the Riveria have dropped considerably, so this is where the bargains are.

"And more properties are sold in the Alpes Maritimes than in the Var, because this is the fashionable area."

"It has been a patchy year," says Count Hugh de Meyer, head of Montpelier International Properties. "Sales have ben strongest on the expensive market, as many people who have sold their companies are anxious to invest abroad.

"But the middle market can be difficult, for some buyers, even though they are keen to go ahead, just cannot produce the necessary funds when the time comes for signing."

What Montpelier calls its *latest "service to the public"* is the taking out of a fidelity policy covering employees who handle cash. "We have always been concerned that any UK agents who take deposits should be bonded, as any financial disaster could be a reflection on us all."

It is always important to pay through a bank when buying overseas. This way there is a properly documented record that funds have been imported into the country concerned, an important aid to repatriating after a re-sale.

In general, what has been officially brought in can be taken out, plus a reasonable profit. Regulations vary considerably.

The latest edition of Buying Overseas Property (£2 from Michael Furnell, Homefinders, 10 East Road, London, N1), also points out the pitfalls of signing a private contract, as well as the necessity for checking that a title has no flaws. Either go personally to the Land Registry, or get a local lawyer to check for you.

Magical land of ancient he[r...]

"WELCOME to Ariége; its tranquility, its sports, and its Cathars." The sign on the D117 *Foix road marked the end of* the 700-mile trip from Calais to the Pyrenees, and the start of a particular pilgrimage.

Not to Lourdes, already 100 miles back to the West, but to the rugged uplands of the old Comté de Foix between the Plantaurel mountains and the Spanish border—in particular the minute village of Montaillou.

Made famous by a modern study of its mediaeval village life, *Montaillou* was already familiar—down to the surnames in the graveyard that had not changed in six and a half centuries—to thousands who had never set foot in France.

But if today's sleepy hamlet of some 20 stone cottages and a handful of boarded-up ski lodges comes as some surprise to readers of the Montaillou book, Ariége in a warm September is a revelation.

Coming into it from the High Pyrenees to the West, you notice three things—the temperature begins to pick up a hint of Mediterranean warmth, the light changes, and there are uplands between the valley floors and the mountain wall.

It must have been the same here when the Cathar heretics made their last stand against the armies of the Church in the 13th century, and were put in their thousands to the sword and the fire. And when the Inquisition finally arrived at Montaillou to stamp out Catharism 80 years later.

The only traces today are the ruined strongholds and chateaux blasted by the Albigensian crusaders. For the rest, Ariége lives up to its promise of tranquility whether you stay in the towns or among the sheep in the high Pyrenean pastures.

Armed with Emmanuel Le Roy Ladurie's scholarly book, Michelin's Camping France, local maps, and local green guide, the aim was to seek out the *Cathar* strongholds as comprehensively and cheaply as possible.

A tent, a £50 Mini Traveller, an £80 European Ferries crossing to France, a casual drive over three days to Ariége, and we were in business. Oh yes, and with a nine-year-old 'rust-mobile,' you need an unlimited supply of optimism to take you over the three-week trip.

First, to Foix: with its massive twin-towered castle looming over the town; full of narrow streets, timbered buildings; and its market.

It is the market which tells you how well you are going to

The chateau at Foix (Ariége)

TRAVEL

ROGER BEARD

eat on a camping holiday, and the one at Foix is the centre for the whole region. Sheep cheese rather than goat, hard Pyrenean loaves rather than the ubiquitous baguette, and meat from Alpine cattle mark out Ariége from the rest of France.

And should you choose to eat out, whether on the 40 or the 80 franc menu, remember this is mountain country. Game, fowl, and fresh-water fish rule the menu, and most attempts to go beyond this are at best mediocre, and at worst disastrous.

Foix, across the Ariége river from the N20 route to Andorra, offers sufficient in the way of good eating places and cheap hotels, but is not the best base from which to explore the rest of Cathar country. For that, you need to move further down the N20 to Tarascon or Luzenac—both working rather than tourist towns, but with better access to the Cathar sites.

South of Luzenac, at Altiès there is a camping ground, not in the Michelin Guide, owned by the Camping Club of France. With a view of the crags across the river, it proved ideal.

But be warned: should you want the full facilities Michelin sites offer, rather than the rough and ready ones of the Altiès site, you usually sacrifice the view for the hot water. The British may not know Ariége, the French do. And they park their caravans year-round wherever they're allowed to. *For the holidaymaker seeking* tranquility, such permanent sites are like parking at Epsom on Derby Day.

Twel[...] through [...] brings yc[...] The ham[...] no bar, just [...] graveyard whe[...] recent graves a[...] same they were in Cathar times.

Above the village are the remains of the chateau where Cathar adherent Beatrice de Planissoles held court, just a pile of stones on a rock. Apart from that, nothing. There are no signs, no notices, just the ghosts from mediaeval Montaillou.

The journey from there to Montségur is longer, coming up through moorland to a dramatic gorge, and the first sight of the crag-top stronghold where the Cathar armies made their last stand. Two hundred souls were burnt at Montségur, but they left an awe-inspiring monument.

Catch the Monségur citadel, 400 ft up above you, in the evening sun, and you have one of the most impressive reminders of the faith that once captured half of France and threatened the stability of the French throne. Climb up to it and there is again little but rubble—but it still shrieks "come and get me."

Roquefixade, Usson, and Puivert are the other Cathar fortresses, none complete but all impressive, that you can visit on other days from the same base.

It is the contrast between Ariége's past and present tranquility which makes it such an appealing holiday spot. Not only that, ours was the only foreign number plate we saw during our time there, though this may be different during the winter sports season.

Camp and it need cost you only £2 a night. Seek the comfort of a logis, and a bed and hot water, and you will pay £5. Summer prices in Ariége are cheaper than many other parts of France, and far fewer people go there.

You must, though, fill the tank every time you see a filling station. They are few and far between in the Comté de Foix.

Car ferry, Dover-Calais, Townsend Thoresen: £80 to £120, 2 adults, low season depending on time of day booked.

Michelin Camping Caravanning France, new edition due for 1984, available from bookshops.

Michelin Guide de Tourisme, Pyrénées, *in French only*, available from bookshops.

Montaillou by Emmanuel Le Roy Ladurie, Penguin Books.

COMPANY NOTICES

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S.$20,000,000 GUARANTEED FLOATING RATE NOTES 1987 SERIES

The interest rate applicable to the above Notes in respect of the three month period commencing 6th January 1984 has been fixed at 10½% per annum.

The interest amounting to U.S.$26.25 per U.S.$1,000 principal amount of the Notes will be paid on Friday, 6th April 1984 against presentation of Coupon No. 13.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

ɔl poet

198 ANNAN

Kleist: ... ...raphy
by Joachim Maas, translated from the German by Ralph Manheim. Secker & Warburg. £12.95. 313 pages

O Chatterton! How very sad
thy fate!
Dear child of sorrow — son
of misery!
How soon the film of death
obscur'd that eye,
Whence genius mildly
flash'd, and high debate.

Every word of Keats could apply equally — better — to Heinrich von Kleist, another suicide, who really was a genius and, you could say, Germany's Keats and Chatterton rolled into one. His death is as familiar to Germans as his most famous play: *Der Prinz von Homburg*, never out of the repertory on one or other side of the Elbe.

Kleist is a writer's writer because of his breath-taking mastery of the difficult German language: he combined perfect economy with blinding originality. He is everybody's writer because of his verve, passion, and sense of drama. And he tackled subjects of such pain and embarrassment that he is not much less shocking now than he was at the beginning of the 19th century. Goethe saw the point of him sufficiently to put on one of his plays at Weimar, in spite of the "horror and revulsion" he felt for Kleist who struck him as "a body intended by nature to be beautiful, but attained by an incurable sickness." Nietzsche understood both Kleist and Goethe:

"What Goethe sensed in Kleist, was his feeling for the *tragic*, from which he himself turned aside; it was the incurable side of Nature. Goethe was conciliatory and curable. Tragedy is about incurable, comedy about curable suffering."

Incurable and unconciliatory is what Kleist was. Everyone who met him, especially the women who fell under his spell, sensed a profound sadness in him; it was part of his irresistible charm: not a charmer's charm, but a unique poetic quality combined with disarming candour and honesty. These, however, could turn into mulishness and tactlessness.

He was always putting his foot in it, always quarrelling with those who could help him and those who loved him best; though with his friends he always made it up. Besides, he had several skins too few.

He was born in 1777 in Frankfurt on the Oder into a distinguished military family which had produced 18 generals and a poet, Ewald von Kleist, killed in battle in 1759. At 15, Kleist joined the Guards regiment at Potsdam as an ensign. He made two life-long friends, Ernst von Pfuel, later Prime Minister of Prussia, and Otto Rühle, who became a general; and he had a lively social time, being taken up by the ladies of Queen Luise's court, especially Marie von Kleist, his cousin by marriage. Nevertheless, he asked Pfuel to join him in a suicide pact. Pfuel made a joke of it, then, and on several subsequent occasions. As a child Kleist had already made such as pact with a cousin who actually shot himself in 1795.

The three friends immersed themselves in the study of Kant. The army soon seemed intolerable, and in 1799 all three resigned. Kleist enrolled at the dim little university of his home town and became engaged to a suitable young lady. But after little more than a year he abandoned both the university and his fiancée, and set off on a series of journeys, beginning the painful process of teaching himself to write.

Under pressure from his family he joined the civil service, left it, joined again, left again. All his energy went into his plays, essays, and novellas, and he lived frugally on money provided by his older half-sister Ulrike. His biography is puzzling because several times he disappeared altogether for *months at a time*. He was fond of mystification but also unstable: perhaps he spent time in a mental hospital; no one knows. For a while he lived as a hermit on an island in Switzerland. He moved from the Berlin literary scene to the one in Dresden, where he started a literary magazine. It failed. He moved back to Berlin and started a daily paper. It lasted only a few months. He felt betrayed and rejected; and he was losing his creative drive. He thought of rejoining the army and helping to drive out Napoleon. He also wanted a chance to die. The Franco-Prussian alliance of 1811 removed that chance, together with his pride in his country.

By now he was in a deep depression. Marie von Kleist, his closest confidante, left Berlin after refusing yet another suicide pact. So he asked someone else. Henriette Vogel, married to a *mari complaisant*, was a hanger-on of the Berlin literati. She had incurable cancer of the womb and accepted Kleist's suggestion with rapture. They spent the night at an inn on Lake Wannsee.

Next day they had afternoon coffee served on a little hillock —an eccentric thing to do in late November. They romped about like children, the landlady said. Later she heard two shots.

Kleist's biography could hardly be dull. Joachim Maas's version is sympathetic middle-brow, and ghoulish at the end when he described the autopsy on the two bodies in every detail. His book was first published and revised in 1977. Why has it been translated now? Perhaps because Kleist has become a patron saint of alienation. Rilke (who incidentally drew the idea underlying his *Fourth Duino Elegy* from Kleist's extraordinary essay on marionettes) had a different view: "When I was young I liked visiting his grave," he wrote. "... I knew little of his work, and was concerned with his death, that strange death, because I understood only what was strange. But now what concerns me is his *life*, because I am slowly developing a conception of beauty and grandeur."

Kleist—from a contemporary engraving

Fizz of F.E.

BY GEORGE MALCOLM THOMSON

F. E. Smith: First Lord Birkenhead
by John Campbell. Jonathan Cape. £30.00. 918 pages

F. E. Smith, the son of a middle-class Birkenhead family, was a throw-back to the Whig aristocrats of a century before. He would have understood Palmerston; Melbourne would have understood him. Peel and he would not have hit it off. He was an adventurer in an age when that was thought to be barely respectable. He practised—worse, he *preached*—a cheerful piracy. His most famous speech was addressed to the students of Glasgow University who, unless things have greatly changed, did not need to be told it.

They were encouraged to reach for the glittering prizes which sharp swords might bring them. Many were shocked by this frank avowal of an unpopular creed. But there it was. F. E., sadly free from "idealism" was blessedly free from its half-brother, cant. He was a scourge of the "unco guid."

He lived hard and, when it was necessary, worked hard. No passage in John Campbell's biography is more revealing than his account of Smith's sudden and total abandonment of the life of pleasure at Oxford so that he could win a fellowship.

He isolated himself from his friends and took rooms in Wellington Square to which he carted a library of law books. Then he toiled for six months, 14 hours a day. One hour he devoted to exercise, pedalling violently round the square on a bicycle.

The glittering prizes are not won the easy way.

When the exams were over, he hired four punts and stocked them with champagne and food. The party drifted downstream in tails and straw boaters and, thus attired, were found next morning asleep in a hayfield.

Smith's recipe for success was simple: industry, ability and an early, improvident marriage. He cared little for having money and a great deal for spending it. So he had, very soon, hunters, a yacht, a fine library —and left little to his widow. His philosophy of life could be summed up in the French phrase *n'avoir que quat' sous et se faire le grand Condé*.

Women were, it need hardly be said, an essential item in that philosophy. His own early marriage, in spite of everything, remained happy and successful. This did not exclude mistresses and lesser strayings. Once he was found by the police behaving amorously on a bench in Battersea Park; the help of friends in high places was needed to keep the Lord Chancellor of England out of the public prints. One mistress, wife of a Canadian politician, paid his prowess a warm tribute in a letter to her sister: "F.E. is a tiger in bed."

On a higher plane was his love affair with Mona Dunn, a schoolfriend of his daughter Eleanor. When the girl died, aged 26, on a visit to Paris he wrote a touching poem of which the last line runs: "And died as those shall die who dare too vividly to live."

For once, then, F.E. exposed the warm heart that beat beneath the cynical carapace.

As is notorious, he drank too much. It was his fatal gift that he thought more clearly and spoke more eloquently when drunk than when sober. Fatal to him because, in the end, the gift deserted him; fatal to others because young men were apt to think that they could follow so illustrious and dangerous an example.

Anyone who doubts the quality and calibre of his mind needs only to read one of his judgments (summarised in this book) in a complicated commercial case, to be convinced that here was an outstanding legal mind at work; here was a truly remarkable elegance of expression.

Was he a great statesman? In his lifetime his political foes would have denied him the name altogether. To them he was simply a brilliant speaker, with a touch of the Oxford Union which he never completely threw off, who had hired his talents to the service of a party. This is unjust and the proof is his part in the Irish Treaty. That was surely a work of statesmanship. What is beyond all doubt is that he was a brilliant Lord Chancellor.

Mr Campbell gives in this well-researched and well-balanced life the portrait of one of the most colourful characters of an age which, heaven knows, did not lack them—think of Lloyd George, Churchill, Beaverbrook, Northcliffe, Curzon, to mention only a few. A man of many faults—arrogant, insolent and capable of rancour who won some of the glittering prizes—after all, it is no small thing to have been Lord Chancellor, an earl and Secretary of State for India—and was denied the solid rewards of greatness.

F. E. Smith on the bustings

Benign beak

BY RIVERS SCOTT

Married to a Single Life: An Autobiography 1901-1938
by Wilfrid Blunt. Michael Russell. £9.95, 306 pages

When Wilfrid Blunt, now Curator of the Watts Museum near Guildford, arrived at Haileybury in 1923 as the newly-appointed, 22-year-old art master, the staff displayed qualities well calculated to appeal to a youth with a keen eye for the oddities of human behaviour.

There was "Jaggers," "an ancient and idle old man massaging the tip of his right ear with his left forefinger." There was "Moly"—short for "Molecule"—who sported a "Christ-like beard until, affronted by an inquiry as to whether he wore it inside or outside the bedclothes, he cut it off."

A third master, when suitably encouraged by the boys, "could sometimes be persuaded to do his celebrated turn of eating a doughnut whole." The head, John Talbot, was charming but easily bored. As for Blunt's predecessor, he had retired with many dark mutterings and was finally removed by men in white coats to the safety of a mental home. Reading this book one wonders, yet again, how English public schoolboys ever survived.

The answer, of course, is that alongside the nutters and "characters," there were masters around of the quality of Mr Blunt, who, however, has done many things in his life besides instilling into fortunate boys, first at Haileybury and then at Eton, a love and understanding of art. Oldest of three brothers of whom Anthony Blunt was the youngest (and of whom he writes here briefly but with loyalty and generosity), he has been singer, sculptor, traveller, author. This volume, dealing only with his first 37 years, offers faithful portraits of his family and schools, especially Marlborough and Paris during the First World War when his father was Chaplain to the British Embassy Church and of discovering Germany and, at the same time, his sexual nature. (If you thought there was an error in the book's title as printed above, and that what it should have read was "Married to a Single Wife," you were adrift).

The self-portrait that emerges is of a warm-hearted nonconformist, of a very English sort, whose good-natured tolerance can on occasions be pushed too far.

"Of the two thousand or so [boys] who passed through my hands at Haileybury," [he writes], "I cannot think of a single one whom I actively disliked ... Later, at Eton, it was different. I can think of four or five Etonians whom I detested—boys whose natural arrogance and total lack of concern for others was made doubly odious by their having too much money. The really nasty Etonian or Old Etonian cannot be matched by the product of any other school in the country."

More sharpness of this sort would have been welcome.

Fiction

All in black and white

BY ISABEL QUIGLY

Oxherding Tale
by Charles Johnson. Blond and Briggs. £8.95. 176 pages

Don Bueno
by Zulfikar Ghose. Hutchinson. £8.95. 244 pages

Little Sister
by Margaret Gaan. John Murray. £8.95. 189 pages

In the upheavals of recent history and the clash and interplay of races lie endless fictions and the possibilities for their use. Here are three, respectively from North and South America and China.

Charles Johnson's *Oxherding Tale* is set in the American South shortly before the Civil War. That, at least, is its ostensible place and time. Its narrator is the fruit of a drunken joke between master and slave — wife-swapping for a single night. Andrew, rejected furiously by his white mother, is brought up in slavery by his black father but educated to a high level by his mother's husband, and, in trying to earn his freedom, involved in adventures bizarre and terrible until he hits on the simple expedient of "passing for white."

Sent to almost certain death in the mines, he manages to avoid the overseer taking him and others there long enough to assume a "white" confidence and stance and tell the next boss along the way: "I've brought these men from Abbeville." He even keeps one of them, his friend Reb the coffin-maker, as personal servant, and they move north to freedom. There he "passes" well enough to marry the local doctor's daughter and enter the white world without exciting suspicion.

This plain outline of events says little about the inner or underlying version of the book, which is rich in texture and strangeness. It is an essay in story-telling, in the use, the manipulation, of certain themes (identity, contrast, suffering, freedom), selfconscious, purposely anachronistic, watching its own efforts at writing about the black/white world with a mocking eye and putting all sorts of cultural references and historical asides together, shaking them up, then standing back and seeing what happens.

A book like Barth's *The Sot-weed Factor* comes to mind, and plenty of other "big" novels about the American past, but this one is satisfactorily short and tight-packed, with highly charged writing and a richness of reference that give it a sense of size, of bigness.

Don Bueno by Zulfikar Ghose is straightforward by comparison. It too is concerned with the generations in a racially mixed society but the world is *modern* so the extremes are less extreme. We are in South America — Brazil (big city life, the metropolitan business world), the Argentine (an English-style public school where rugby is proudly played and the yearly play is the highlight of events), and a remote Andean village where lives the mysteriously-named Don Bueno, loved (and therefore named) for his goodness.

In two generations sons kill fathers and women give birth outside marriage to sons named after South American liberators. The patterns are laid down with a non-realistic use of coincidence and repetition, but the tone is realistic, the atmosphere of jungle, Amazon boat, mountain village, business world or snobbish school conjured richly and credibly.

Zulfikar Ghose, product of British India, traveller in South America with a Brazilian wife, enters all sorts of worlds.

Margaret Gaan's Little Sister has a similar pattern of events and situations, set in China in 1925 when Shanghai was divided between European countries with "concessions," who ran it, or parts of it, very much on their own: again, the clash of races, the supposed superiority of all Europeans to everyone else: even another "public school" where the adopted child of a rich family is taunted as "Chink" and given a totally European culture. By comparison with the two other novels, this is so straightforward that comparisons seem absurd. It is a family novel, domestic and attractive, about relationships in an American/Chinese household where, as outside in the Shanghai streets and factories, cultures clash.

The Chinese idea of the family, the foreign (in this case American) idea of freedom, affections, choice; the idea of revolution as the *only* solution, accepted even by the rich with any intelligence; the injustices that explain so much that came later: all this is given within the context of humdrum domesticity and of Little Sister's kindly family, headed by Grandmother who is crippled and must be carried about because her feet were *bound* as a child.

Noble cricketer

BY KEVIN HENRIQUES

Ranji: Prince of Cricketers
by Alan Ross. Collins £10.95, 256 pages

Bodyline: The Novel
by Paul Wheeler. Faber and Faber £7.95. 211 pages

The cricketing exploits of the Maharajah Jam Saheb, of Nawanagar, more widely and affectionately known as "Ranji," have been so extensively written about, notably by such eulogists as Neville Cardus and C. B. Fry, that it is surprising to learn that only *one biography* has been written about him and that commissioned by the subject himself.

More than 50 years after his death Alan Ross rectifies this puzzling, inexplicable gap in cricket literature with a lucid, absorbing study in two parts; the first covering his career for Cambridge University, Sussex, and England; the second as the Jam Saheb of Nawanagar, ruling an impoverished state covering 3,791 sq miles, a population of around 350,000, and with a capital which resembled the rest of his domain "disease-ridden, squalid and dusty."

As Ranji's deeds and triumphs on the cricket field have been so comprehensively chronicled Mr Ross has little which is new to add in this area. The historic importance of Ranji's impact upon batting technique, acclaimed many years ago by H. S. Altham, a contemporary and noted authority on the game, is underlined by Mr Ross who implicitly questions the truth of the famed story of Ranji's all-night fishing trip immediately before making his highest score of 285 not out, against Somerset in 1901.

For this cricket devotee at least the most compelling part of the biography is that dealing with Ranji's lesser known life as ruler and statesman, in the latter capacity as one of India's representatives at the League of Nations.

There he played a leading, though not key role, establishing a high reputation through merit and what Mr Ross terms "civilised social contact."

Equally captivating is Ranji's social life which covered an impressive range of pursuits including shooting (an activity which caused the loss of his right eye in an accident in 1915), hunting and fishing. This last eventually took first place among all his pleasures, culminating in the purchase of a 30,000 acre estate in Connemara renowned for its salmon and trout fishing and which, says Ross, became "the place on earth dearest to Ranji."

At the distance of half a century it does seem baffling that such an obviously eligible and attractive person (i.e. successful sportsman and, outwardly at least, fairly wealthy) should not have married. On this Mr Ross is strangely unforthcoming. He does note that Ranji liked the company of women and in fact had "a discreet and long-standing relationship with an English girl." But this is not elaborated on. Bizarrely, perhaps, the most constant companion of Ranji's adult life was his parrot, Popsey, who actually outlived him.

Alan Ross, who happily returned to regular cricket reporting after a long absence, is himself Indian-born and writes about the Jam Saheb with warmth but not idolatry, nostalgically re-visiting in person the Connemara estate and Ranji's palaces in Jamnagar including the room in which Ranji died where, seemingly, nothing has been disturbed since his death. This devotion has helped produce what will surely be the definitive Ranjitsinhji biography.

"Definitive" is a word scarcely applicable to another look at the still emotion-stirring bodyline controversy which erupted on England's 1932-33 cricket tour of Australia, the 50th anniversary of which was inevitably celebrated (hardly *the apposite word perhaps!*) with several allegedly fresh investigations of the subject.

Adding to the pile is a "faction" story of the bitter episode on which will be based, so it is said, a film by producer David Puttnam who hit the box-office jackpot with *Chariots of Fire*. Whether he will repeat that success with a film revolving round a not easily understandable game known only to a small part of the world's population is highly questionable.

In his contribution Paul Wheeler, whose sole cricket connection seems to be that he was born and educated near the Nottinghamshire home of Harold Larwood, one of the "villains" of bodyline, wisely and predictably concentrates on the off-the-field events. Those familiar with the contentious happenings will admire the facile way he mixes fact with fiction. They will also note the way nationalism and politics are heavily emphasised and tinged with a bit of violence (good box office stuff this!), smile at the "faction" F. R. Brown character and wonder if Larwood's Nottinghamshire accent will be sub-titled for American audiences.

صورة عن الأصل

Warm and wonderful

THERE is nothing so likely to send even the most idle of us searching for our knitting needles as the price tags that now hang on the nicest, most desirable knitwear. And just as the sweaters on the rails have become more and more sophisticated, so the patterns for the home-knitter are beginning to catch up as well.

So far, much the most sophisticated collection of knitting patterns is compiled in a book by Suzy Menkes called The Knitwear Revolution. Published by Bell & Hyman, it costs £10.95 but for your money you will be able to make yourself a Bill Gibb artist's smock sweater or a Jean Muir cashmere sweater with all the fine detailing she is so famous for. Or maybe you would prefer a Susan Duckworth cardigan, awash with charming flowers, or a soft and pretty evening sweater by Sarah Dalls. There are some 24 different patterns included in the book with most of the famous names (from Jasper Conran to Patricia Roberts and Zandra Rhodes) offering exclusive designs.

If, however, you are a relative beginner and you want to flex your needles on something not too complicated but sufficiently pretty to keep you at it when you begin to flag, Emu wools has brought out a book with eight different designs which costs only 60p.

Photographed, above, is one of the most deliciously desirable of all the patterns and yet I am assured it is one of the simplest to knit.

It has been photographed in full colour in the suggested colourings which are a combination of candy pink, peppermint green, white and pale violet. The suggested wool is mohair and about 19 25g balls of wool are needed. At £1.35 a ball, the price comes to around £26.65—much. much less than a sweater in similar wools would cost in the retail shops. Though the pattern is simple, the finished product has all the intricate effect of a unique Fair Isle.

Me and My Emu (the title of the booklet) is available from all Emu wool stockists. including most Debenham stores throughout the country, all John Lewis stores and D H Evans, Harrods and Ries Wools in London.

Plan for a fitter New Year

ARE you feeling flabby around the midriff? Do you puff after you have to run for a bus? Is *your stomach—how* shall I put it—not quite what it used to be? Then exercise, as if you needed telling, is what you need.

There can be few of us left who are able to indulge in our louche old ways with the same carefree pleasure as before. We all know now exactly what those sedentary habits are doing to our heart and muscles and the damage that that extra piece of Brie will do to our arteries.

So this year is going to be different. Unlike most diets which always begin tomorrow, your exercise programme is going to start today. Where do you begin?

If you have access to London there is a host of studios all offering a variety of programmes designed to bring about a fitter, leaner you—but at a price.

If you live out of London you may be lucky and find that you have a good keep fit class, aerobics teacher or exercise studio in your district. Always check that the teacher who takes the classes really is trained and knows what she or he is talking about—more backs and muscles have been strained doing exercises than you ever hear about.

If you don't have a good class near you all is not lost. Both BBC and TV-am run early morning slots aimed at those who want to get into some kind of shape. The BBC's Green Goddess (Diana Moran) has a four-minute slot most weekday mornings between 7.15 am and 7.30 am and then again between 8.45 am and 9 am. This is not the hard aerobics grind—you will not require a track-suit and a shower afterwards. Gentle, traditional keep fit exercises are more her line. She is aiming at the whole family.

Over now to TV-am where Mad Lizzie, too, is offering exercise for the whole family, young and old. She has a five-minute slot at 6.50 am and 9.15 am every day and each week she tries to concentrate on a different part of the body.

I don't get the impression that anybody would get really fit if all they did was to follow either of these lovely ladies. However, any exercise, however gentle, must be a lot better *than doing none at all (providing*, as all the programmes, cassettes and books point out, that anybody who is pregnant, ill or in doubt consults the doctor first).

For those whose will-power is weak there is nothing like paying out an annual subscription to a club—the thought of wasting the large initial outlay will induce many an idle shirker to keep up his or her weekly visits. So first, for Londoners or those who have easy access to it, here is a list of just some of the London studios and some of the programmes they offer.

Bear in mind that if you really want to get fit most teachers recommend at least three sessions a week.

The Dance Centre, 11-14 Floral Street, London WC2. One of the first studios offering a wide range of classes for men and women from those aimed at professional dancers to keep fit for amateurs. Its great plus point for those who are unsure *of their commitment to the idea* is that you can turn up whenever you like and you will find a class on at any time between 9 am and 10 pm on weekdays, and 9 am to 6 pm on Saturdays. There is also no annual membership fee. just a daily rate of 35p plus the charge of a lesson (varying from £2 to £2.50 depending upon the class).

Pineapple Dance Studios, 7 Langley Street, WC2 and Pineapple West, 60 Paddington Street, London W1 are famous for being the first of the keep-fit studios to go on to the Unlisted Securities market. There are 500 mixed classes a week *offering everything from disco* dancing to general movement.

There is also a £20 annual membership fee and classes are about £2 each.

Holmes Place Health Club, Holmes Place, 188 Fulham Road, London SW10. Full membership is £350 a year, day-time only is £275 (7.30 am to 5.30 pm), but classes are then free and are run every half-hour through the day from 8 am to 7.15 pm without the need to book. Besides gymnasiums, exercise studios, saunas and the other extras there is also a State registered nurse who will check pulse, blood pressure and *general health.* All classes are mixed. Lots of gymnastic equipment.

Nona's Dance Studio, 54 Glebe Place, London SW3. Annual membership is £90 and classes are £3.75 each. Very smart, very luxurious. You can choose from California Stretch to jazz exercises, from ballet through to rock. There is also a special class for those who are pregnant.

Dancercise, The Barge Durban, Lion Wharf, Richmond Road, Old Isleworth, Middlesex, has 21 studios all in the London area ("we find it hard to find really professional dancers to take classes out of London") and has recently started special classes for the over 40s. Feeling that the "body boom" has been *a little daunting for the thousands* of slightly plump, out-of-condition people over 40 Dancerwise feels they need classes of their own—"friendly, uncompetitive and sophisticated." It aims to be enjoyable but not exhausting. Classes are mainly in the mornings and evenings, newcomers can pay £2.50 for single lessons but a course of one lesson a week for 15 weeks is £37.50, two lessons a week are £64.60 and three a week are £74.85. Contact the head office for further details.

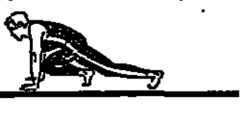
Chelsea Dance Studios, newly opened at Chelsea Wharf, Lots Road, London SW10. Another *studio that doesn't require the* payment of an annual membership fee. Classes cost £2.50 each, all teachers are trained and there is a large variety of exercise on offer—everything from general keep fit through aerobics to jazz. You can just turn up and pay at the door.

Cannons, The City Sporting Club, Cousin Lane, London EC4 is right in the heart of the city so captains of industry who fear they are getting flabby can use their lunch-hours to trim off the excess. Open seven days a week with incredible facilities —10 squash courts, two golf nets, an indoor swimming pool, a gymnasium and a health club. *There are also aerobic, stretch* and conditioning classes for women and a restaurant. Two rates of annual membership. £345 (which includes free use of the squash courts) or £190 (plus VAT) which is the "fitness" scheme and all classes are then free.

St James's Health and Sauna Club, 7-9 St James's Street, London SW1. Only for men, it offers a gymnasium with a qualified instructor who will supervise your fitness programme. There are saunas, pools, and a restaurant. Annual membership is £130 and there is a charge of £1.20 a time.

For those of you who live out of London and who don't know of good classes near you it is worth remembering that there are some 600 public leisure centres around the country run by local authorities. It is always worth contacting the Sports Council Information Bureau, 70 Brompton Road, London SW3 for information about facilities in your area.

If you don't live near a centre or anyway prefer exercising in the peace and privacy of your



own home you can save all the hassle of travelling by buying your very own video cassette.

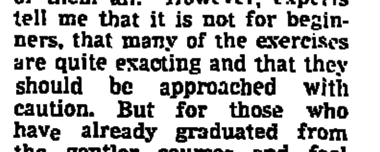
Prices of the cassettes vary from £19.95 for Mirrorvision's two offerings to about £42 for Jane Fonda's Workout. Experts are at pains to point out that nobody should ever do anything that feels wrong or that hurts. Some of the tapes, the experts feel, are definitely not for beginners and anybody out of condition should go very carefully indeed.

Most of the cassettes that I tried out were aimed specifically at women and featured dauntingly slim and supple girls in slinkly bits of nothing.

Arlene Phillips (of Hot Gossip fame) Keep In Shape System costs about £20 for 35 minutes. The very trendy graphics and impossibly supple girls did little to encourage me —the exercises were so continuous that without using the stop button one would not be able to keep up.

The Lotte Berk Exercise Class is £19.95 for 60 minutes and I found this cassette much the most useful of those I viewed. She explains at every turn which muscle you should be exercising, shows very carefully how to make sure you are not straining your back and generally the instructions were very explicit and easy to follow.

Jackie Genova's Work That Body costs about £35 and offers 45 minutes of viewing time. Jackie Genova used to do the keep fit slot every Saturday on TV-am but has now branched out on her own and brought out a cassette and a book (also called Work That Body). She precedes the exercises with some useful hints on how to prepare for them at home and then, accompanied by four of the familiarly slinky girls goes into her exercise routine.



Get Slim Stay Slim with Angie Best is £19.95, produced by Mirror-vision and is about 60 minutes long. It starts with some depressingly graphic photographs which tell us how to tell if we're fat (as if we didn't know) and then moves on to highly sensible advice and general keep fit exercises. Sober, useful and you will come to no harm. It will probably actually do you good.

Jane Fonda's Workout is 90 minutes and costs about £42 and is described as "the best seller of them all." However, experts tell me that it is not for beginners, that many of the exercises are quite exacting and that they should be approached with caution. But for those who have already graduated from the gentler courses and feel ready for the really taxing stuff, this could be for them.

Curiously, almost all the video cassettes seem to be aimed at women or to be more precise, feature women doing the exer*cises, though there* is no reason why men shouldn't follow the courses.

So if all you men are feeling neglected I can suggest a few books that may be of some help.

Fit for Life features Daley Thompson (some of the sketches from the book are shown here) with Sally Ann Voak and costs just £6.95. It's much harder work doing it all from a book but it can be done, and you can console yourself with all the money you're saving by not joining a studio.

Seb Coe's **Running for Fitness** costs £7.95 and could be useful to those who find a set course *of exercises is not their thing.*

COOKERY

Beginner's Sunday lunch

BY JULIE HAMILTON

REGULAR READERS will remember that last week I decided to address myself to all those people who relied for most of the year on somebody else's cooking. No longer should they be able to get away with that excuse of "but I don't know how . . ."

With last week's shopping list and detailed instructions any novice should have been able to produce the simple but delicious meal for two that I devised. Anybody who tried it and has been encouraged by finding that cooking isn't so difficult after *all might like to progress to* this week's menu which is designed to give the regular cook a day off from producing the Sunday lunch.

The menu consists of fresh tomato soup, served with hot French bread, roast capon with roast potatoes. Brussels sprouts and hazelnuts, a green salad and treacle tart. It is designed to feed four people but could very easily be stretched to cater for six. As I mentioned last week. timing is important so read through all the instructions carefully before embarking on anything. Plan to follow the order of cooking that I give and then you should find that everything is ready just when it should be.

But before you start cooking, here is the shopping list (once again, I am assuming that the larder is stocked with basic stores).

First . . . you will need

2 14 oz cans Italian tomatoes (I find Napolina the best); 1 or 2 long cabano sausages to be found at the *delicatessen*; 2 large onions; 1 bulb garlic, the larger the individual cloves the better; 1 jar oregano to be found on the herb shelves; 4 oz bacon off-cuts (these are difficult to find unless you know a shop which slices its own bacon, so buy the cheapest thickly sliced bacon you can find); 1 capon weighing approximately 5½ lb or more (a large chicken will do but I advise against a frozen one); 1 stick of French bread; 2½ lb Brussels sprouts (fresh ones please); 2 oz shelled hazel nuts; 8 good sized potatoes; 1 small head of Chinese cabbage or leaves (this is for the green salad because lettuce, other than Iceberg which is expensive, is rather insipid at this time of year); 1 lb tin of Golden Syrup; 1 small white loaf of bread; ½ lb frozen short-crust pastry (make sure it is short crust, don't buy puff by mistake); ½ pint tub of double cream; check in the larder than you have olive oil and wine vinegar, caster sugar and black peppercorns.

Sunday lunch

for 4 or 6

For the tomato soup for six:
2 14oz cans tomato; 1 large onion; 2 tablespoons olive oil; 3 cloves garlic; 1 or 2 cabano sausages; 1½ pint chicken stock made from 1½/2 cubes; 2 teaspoons wine vinegar; ½ teaspoon oregano; salt and plenty of pepper to taste; 6 teaspoons cream to garnish when serving either in individual bowls or a soup tureen brought to the table.

For the roast capon:
1 capon or large chicken; 1 onion; 4 oz bacon off-cuts; 2 oz butter; ½ a lemon; salt and pepper.

For the roast potatoes:
8 large potatoes; 1 heaped tablespoon flour; 1 teaspoon salt; approx 3 oz lard or dripping.

For the Brussels sprouts with hazel nuts for six:
2 lbs sprouts (the extra ½ on the shopping list allows for wastage when preparing); 2 oz hazel nuts; 2 oz butter; salt and pepper; a few drops of lemon juice.

For the green salad for six:
1 small head of Chinese cabbage or leaves or ½ a large head; juice of 1 lemon; 1 teaspoon caster sugar; ½ tea*spoon* dill weed; 2 tablespoons olive oil; salt and pepper.

For the treacle tart for six:
½ lb frozen short crust pastry; 5 tablespoons fresh white breadcrumbs; 7 or 8 tablespoons Golden Syrup; 1 oz butter; ½ a lemon.

My advice is to make the treacle tart first (in fact, you could make it the day before if you wanted to). Do not forget to defrost the pastry well in advance. To make the breadcrumbs, cut the crusts off about six slices of white bread and put the rest in a blender or food processor to turn it into crumbs. If you do not have such electrical aids you will have to use the coarse cutter of a grater.

Roll out the pastry on a cold surface which you have sprinkled with flour. Roll outwards from the centre in all directions until the pastry is big enough to cover and generously overlap an eight or nine-inch flan tin or pie plate.

Grease the tin/plate with butter. Line it with the pastry—folding it over the rolling pin to lift it makes it easier to *handle and less likely to break*. Cut off the excess by running a knife round the outside edge of the tin/plate. cutting through the pastry as you go. Set aside the off-cuts. Fill the pastry case with the breadcrumbs.

Grate the rind of the half lemon (only the yellow part, not the pith) and sprinkle it over the crumbs. Melt the butter and syrup in a small pan over a very low heat until it is completely runny and pour it all over the breadcrumbs. Roll out the off-cuts sufficiently to enable you to cut four thin strips to lay right across the tart to form a star pattern. Pinch the ends into the sides of the tart.

Bake in a preheated oven (gas mark 6, 400F) for 30 minutes or until it is well browned. Reheat later and serve hot or warm with cream, lightly whipped with a spoonful of lemon juice added if you like.

The next thing to do is to make the tomato soup. Peel and very finely chop, or even grate, the onion and garlic. Heat the oil in a large saucepan and fry them until they begin to colour. Then add the cabanos cut into half-inch lengths.

Push the tomatoes through a sieve or vegetable Mouli to remove the seeds and, with the stock, add them also. Bring to boiling point, stirring from time to time, cover and simmer for 20 minutes, then add the vinegar and oregano, plenty of pepper and a little salt after tasting, and continue to simmer for a further five minutes. Set aside until needed.

To serve, bring to boiling point and tip into warmed individual bowls or a large soup tureen. Pour in the cream to decorate but do not stir it. Offer chunks of hot French bread.

While the soup is simmering peel the potatoes for roasting, cutting each one in half or more if necessary. Leave covered in cold water until you have prepared the capon for roasting as follows. Rinse it under the cold tap and remove any trussing. Chop the onion and capon liver and mix with the butter. Season with salt and pepper. Pat the bird dry *with a kitchen towel, then* squeeze the half-lemon juice all over it, inside and out. Push the onion, liver and butter into the cavity and put the squeezed half lemon into it, too.

Cover the breast and thighs with the bacon and place the bird in a roasting tin. Put the neck and giblets in the tin too *and add* just under *half* a pint of water (or white wine and water mixed if you like). Preheat the oven to gas mark 7 (425F) and place the bird in the centre or lower half so that there is room to fit the potatoes above it.

Having peeled the potatoes, dry them and toss them in flour, seasoned with salt, to coat them. Melt the lard or dripping in a roasting tin and add the potatoes, putting them in the oven 10 minutes after the capon. After a total of 30 minutes, reduce the heat to gas mark 4 (350F) and cook for approximately one more hour and 15 minutes. Check after *about 50 minutes that the* potatoes are not over-colouring. If they are, lay a piece of tin foil on the top of them. To tell if the bird is cooked, stick a skewer into the leg. The liquid should come out clear, not pink.

While the bird and potatoes are cooking, prepare the *Brussels sprouts*. Cut off the ends of the stalks and remove the outer leaves *if they don't* look good. Chop the hazel nuts coarsely in a coffee grinder and fry them lightly in the butter. Keep warm. When the capon is cooked take it out of the oven *and let it stand.* Bring a *saucepan of water to the boil*, drop in the sprouts, add a little salt and boil for eight minutes. Drain off the water, put the sprouts in a heated serving dish and sprinkle over them the lemon juice and hazel nuts.

To make the green salad, scissor the washed Chinese cabbage into a bowl, sprinkle over the dill weed, sugar, salt, pepper, lemon juice and oil and mix thoroughly.

When serving the bird the juices in the base of the roasting tin can be spooned over each carving if desired. As you remove the capon and potatoes from the oven put in the treacle tart and turn down the heat to its lowest temperature. The tart will be warmed through by the time you are ready for it.

The snugness of evergreens

GARDENING

ARTHUR HELLYER

IT IS in winter that I most appreciate the evergreens in my garden. Where so much else is bare or has actually died down out of sight, the evergreens remain to give the place a snugness and interest it would otherwise lack. If one leaves out of count the multitudinous conifers, many of which have learned to cheat frost and biting *winds with their narrow or very* small leaves, evergreens tend to be a rather tender lot which is not surprising because it is warm, or at any rate equable climates that make it profitable for a plant to retain its foliage all the year. Deciduousness is a device to opt out of the hardest weather and go dormant *like a sleeping hedgehog.*

So in choosing evergreens it is wise to include some that are tough enough for the outer, more exposed places where they may serve as windbreaks and find special sheltered places for those that really cannot take a lot of cold. It is not always easy to know which there are because plants do not always behave according to the book.

In my garden *Griselinia littoralis*, which has glossy yellowish green leaves that are bordered with yellow in a variety named Variegata, is now almost 15 feet high and has never been touched by *frost yet it is a New Zealander* and is almost always described as rather tender. It is the green-leaved plant that grows so well for me and a variegated specimen planted not very far away was killed the first winter which was rather a severe one. Perhaps if it had been longer established it would have fared better.

An evergreen shrub or small tree I much admire is Pittosporum Silver Queen but this I have lost every time I have planted it. A few weeks ago I saw it growing well only five miles away against a south-facing wall. *Cytisus batandieri*, a peach-scented broom from Morocco, was growing through it and the two greys, one glossy the other matt, looked most attractive together.

The cytisus is not evergreen but it holds its leaves very late and, despite its African homeland, it is quite hardy with me and grows right out in the open. But it makes a very loose bush with long flexible stems easily blown out if not given some support which it gets in my garden from neighbouring bushes of philadelphus and cotoneaster.

Cotoneasters themselves are about evenly divided between evergreen and deciduous kinds. of the low spreading species *Cotoneaster horizontalis* loses its leaves and both *C. dammeri* and *C. microphyllus* retain them. *C. dammeri* is rather unremarkable except for its extreme ground hugging capability but *C. microphyllus* makes its presence felt both by its stiffly arching stems and its lustrous green leaves as dark as those of yew.

From these low level shrubs cotoneaster progresses all the way up to 15 footers with an *almost equal spread if* they are allowed to go their own way. My own short list of three, all evergreen, is *C. conspicuus decorus*, 3 ft. dome shaped and holding its red berries until the spring; *franchetii*, 8 ft, and shaped like a shuttlecock and *Rothchilddianus*. 10 to 12 ft. also with outward arching stems but with yellow instead of red berries.

Aucubas went out of fashion because they were regarded as Victorian and are coming back into favour at least partly for the same reason, that being the fickle way of gardeners. They really are very good evergreens and are among the few that will grow in dense shade. If they get too big they can be cut back just as much as one likes provided the work is done in May. It is usually one of the varieties with yellow spotted leaves that is on sale in garden centres and if this is the one named Variegata it will bear quite large holly-red berries in winter provided there is a male bush, such as Crassifolia or Lance Leaf, near by for pollination.

Cherry laurels are not often recommended for their flowers as well as their big, lustrous green leaves but the slender white spikes can be very effective especially when held erect like candles on nearly horizontal branches as in the variety Otto Luyken. These are tough shrubs that will grow anywhere, in sun or shade, and like the aucuba can be cut back severely in May if they grow too big.

Hollies are among the hardiest of evergreens and, as with aucubas, the sexes are segregated so that both male and female bushes must be planted if one wants berries. The names of some are rather confusing in this respect since Silver Queen, with white edged leaves, is a male and Golden King, with yellow edged leaves, is a female. Both are good and readily available.

Camellias are splendid evergreens, the varieties of *Camellia japonica* even better for foliage than those of *C. williamsii* since their leaves are larger and glossier. But both types are well worth planting and were I confined to a single bush it would be of the *Williamsii* variety Donation because of the great flower display it invariably makes. There is more variation of habit in the japonica varieties and, if well placed, the wide spreading *varieties such as Lady Clare and* Elegans can be very effective.

Grey leaves make a fine foil for green and none surpass the firm rounded leaves of Senecio Sunshine and New Zealand shrub we have for many years mistakenly called *S. greyi.* It is not in the top class for hardiness but it takes quite a hard *winter to destroy it. In a sunny* place, sheltered from north and east winds, it will be safe and will keep more compact than if it is short of light.

For walls there are no evergreens better than the firethorns which will hold themselves up with a minimum of support. In recent years the *selection of varieties* has been considerably increased by the introduction of American hybrids and some of the older favourites, such as Calandei, seem to be slipping out of cultivation. Mohave and Orange Glow are two of the newcomers, both with orange-red berries. One does not need them both, since they are equally good. I would take whichever is available. Pyracantha rogersiana is a really good flowering shrub with orange red berries, or yellow berries in a variety named Flava. For really red berries Watereri is the one to go for.

The cream variegated variety of the greater periwinkle, *Vinca major variegata*, makes cheerful ground cover but it grows so fast and entangles itself so thoroughly with shrubs, scrambling all over the smaller ones, that I hesitate to recommend it unless you are prepared *to chop it back ruthlessly when* it strays too far. Much more manageable are the numerous forms of the dwarf or creeping euonymus, *E. fortunei*, a strange plant, in some forms rambling and rooting as it goes in others making quite compact bushes. I recommend Variegatum to creep or climb up wall or fence and Emerald and gold, with yellow variegation and Emerald Gaiety with white variegation to make small bushes.

At last—the 1984 show

Impossible to avoid the date and its tutelary prophet. Television is dealing with Orwell, but to radio is left the thing itself, *1984* as a Book at Bedtime, handsomely read by Kenneth Haigh. Bedtime is a little earlier this year, 10.15 rather than 10.30. We must take our Book with the good-night Ovaltine, presumably, before retiring without having heard the news at 10.30 or the financial report at 11 o'clock.

But the Book isn't the only reference to this fatal year. Each evening of the first week of 1984 the 6 o'clock news is enlivened by a comment on how near Orwell was to the truth. Dominick Harrod kicked off with a wholesale judgment that he had been "all wrong." Mr Harrod himself is surely "all wrong" if he supposes that *1984* was meant to be a forecast; without straying into the realms of literary criticism, I have always assumed that it was a satire on the life of England in 1948 when it was written. Clive Cookson, Science Correspondent, reckoned next day that Orwell was right in principle if not in fact; Big Brother can watch us as effectively through the vast stores of computer information available to him as ever he could through the telescreens.

Certainly Radio 4 is watching us. This week began a new series, *Agenda 84*, which is perhaps a sign that this channel is going to pay more attention than hitherto to current affairs. First in, a programme called *The Ticking Debt Bomb*, which dealt with the phenomenon of poor countries with large debts to the World Bank, the IMF and others. The example chosen to illustrate the theme was Zambia. Zambia's only major item for foreign exchange was copper; but a slump in copper prices meant an increasingly adverse trade balance. President Kaunda took the opportunity to blame UDI in what was then Rhodesia, as well as the rise in oil prices and the decline in copper prices, and complained that the IMF showed a lack of sympathy. If he were to reduce the numbers of his vast team of civil servants, as they suggested, how could those unhappy men be employed? Agriculture, of course; there was already a move back to the land; it was too bad that there had been two years of drought.

A citizen of Lusaka, interviewed, spoke wistfully of the happy days as a colony; but all President Kaunda wanted was more time to find his $3bn

RADIO

B. A. YOUNG

debts. Compared with a total for the Third World approaching $700bn, this may seem a drop in the ocean, but comparisons are no consolation to hungry Zambians.

Another interesting series starting on Radio 4 this week is *Caribbean Links*. Historians of the far future may write of the Caribbean invasion of the 1950s and 1960s rather as we do of the Normans, but one Guyanese on this programme made the point that when the Caribbeans came here, a good number of them already had British passports. "It wasn't till I came here I knew I was foreign, or I knew I was black." (He was of Indian descent.)

The programme had an uncommonly authentic sound, for so much of it was contributed by Guyanese and other Caribbeans. It was from a Hyde Park orator that we learnt that over two-thirds of Guyanese are of Indian origin, and only one-half of African. Moreover the principal export of Guyana is Guyanans; half the total of them live in the UK. Yet as described by Juliet Alexander the country sounded pleasant enough, and certainly the people we heard were enchanting. They all, even the Hyde Park speaker who was on about slavery (that really changed no more than its name when Wilberforce abolished it and indentured labour was introduced instead), were friendly and entertaining.

The half of the population that has not yet decided to emigrate seems determined to hand on to what they've got. Venezuela, which has a common border, claims a large area of the country, but there is a song, which we heard prettily sung, that resolves "We ain't givin' up a blade of grass."

1984 — the year, not the book — began for me on Radio 4 with two very worthwhile repeats, Stephen Jessel's *Letter from Tartary* and the *Prix Italia* winning documentary *Nobody Stays in this House Long*. Stephen Jessel's Tartary was Kashgar in Sinkiang, in Chinese Central Asia, and his account of it was observant and sympathetic.

"Nobody stays in this house long" is what Mr and Mrs Drage were told when they took in 1933 a house in West London big enough to need a butler, a cook, a housemaid, a nanny, an under-nurse and a nursery maid to run it and cope with seven children. They got a long lease at £200 a year and, as Mr Drage said, can't afford to leave now, though the staff consists only a Filipino woman-of-all-work. Piers Plowright directed this wholly likeable programme.

Thoughtcrimes at Barbican

The Barbican's contribution to the Orwell commemoration is *Thoughtcrimes*, two weeks of plays, films, exhibitions and debates on Orwellian themes from January 16.

As well as readings and productions without decor of new plays by Edward Bond, David Rudkin, and five young writers there is a day, "Writers and Leviathan" on January 21, in The Pit with distinguished contributors from the literary world.

Presented by the Writers Guild and Capital Radio, the speakers include Michael Foot, Conor Cruise O'Brien, Lord Hugh Tomas and Raymond Williams. There are new works from writers born in, or after, 1948, including William Boyd, Nigel Williams and Maggie Gee, and also contributions by Angus Wilson and Angela Carter. Admission costs £2.

La Traviata

BY DAVID MURRAY

Expertly revived by Stefan Janski, Verdi's *La Traviata* is back at the Coliseum in the handsome John Copley-David Walker production, with sponsorship by The Mercers' Company. The special interest of the revival attaches to the newcomers: making their *debuts* with the English National Opera are the Romanian soprano Nelly Miricioiu and the Belgian conductor Ronald Zollman, and the Welsh tenor Arthur Davies—much admired as the Duke in the Jonathan Miller *Rigoletto*—steps into the role of Alfredo.

There is also a new, spitfire Flora from Sally Burgess (never one to let a small role make a small impression), and efficient support all round. If Shelagh Squires makes a somewhat mannered Annina, the heroine's loyal maid, Malcolm Rivers acts an unusually dangerous, haughty Baron Duphol, and there is a kindly old duffer of a Marquis from John Kitchiner. The gypsy divertissement at Flora's party is colourful or trying, according to taste.

Miss Miricioiu made a great impression at Edinburgh with her Manon. Apart from the voice, which at its liquid best is strikingly beautiful and always most musically used, her speciality is a sort of dreamy intensity, which adapts well to circumstances. Her Violetta here is a very different creature from Josephine Barstow's: nothing like so mercurial nor so ecstatically agonised, but full of affecting *douceur*—and her vocal range encompasses the extremes of the role more comfortably (granted a risky suggestion of different voices for different registers). Her English is foreign, but dedicated: in an English version that has a "Violetta," an "Alfredo" and a "*Giorgio*" living in France, she can pass for an immigrant courtesan.

She spreads the glow of a professional hostess over her opening party, and melts touchingly at Alfredo's pressing attentions, with a fine bated-breath "Ah! fors'è lui" (the English draft escapes me, and indeed much of it is best escaped). The higher vocal excursions had a hint of first-night caution on Thursday, but lovely moments too. In confrontation with Norman Bailey's formidable Germont *père*, quicker, sharper reactions would help; Bailey's tough intelligence and iron line, more than compensating for a dryish baritone timbre, make him a challenging adversary.

Mr Davies' Alfredo strikes me as still better than his Mafia Duke. In those sinister New York settings, he arguably needed another degree or two of tough charisma; but the shy, decent eagerness of his provincial swain is perfectly to the point, with some uncommonly subtle detail. His bright, ardent tenor made too little only of the contrasted feelings of his Act 2 arias—first-night caution again, undoubtedly. Like other things in the whole performance, they promised to blossom by the third or fourth night.

Mr Zollman's contribution was among those things. He led a deliberate performance, marked by definite ideas (unduly slow tempi here and there, but with refined orchestral touches and an admirably strong way with the party-music).

Nelly Miricioiu

Sunday opening—at a price

From January 22 you will be able to see *Snoopy the Musical* on a Sunday. The show's producers, Howard & Patrick, have successfully negotiated with Equity, the actors union, to keep the Duchess Theatre open for a Sunday matinée. The price is a double payment for the actors, musicians, etc, and Monday off.

And it is a price that other theatre managements may well be unprepared to pay. The Society of West End Theatre Managers and Equity have been negotiating for years over Sunday opening without being able to arrive at an agreed formula. Both are in favour in practice; it is the cost that is the sticking point.

For the Duchess, with a small payroll, £500 pays for the extra performance: for a major musical the expense would be nearer £10,000 if there were expensive stars involved. So SWET approves in principle of the Duchess opening on Sunday (Howard & Patrick are not members because *Snoopy the Musical* is their first production and you need two to qualify) but it is worried that the formula agreed would be unacceptably costly to some of its members.

But if Snoopy brings in the audiences during January and February—the worst months for the West End—the pressure would be on for other managements to follow suit, especially those with musicals running. For Sunday is the day of family amusement, and musicals are aimed at parents and children.

Antony Thorncroft

A lot of Papal bull

Few sights could be more startling, even in the surreal Christmas viewing season, than that of a soutaned Gregory Peck chewing the ecumenical fat with Pope John Gielgud. *The Scarlet and the Black* (Precision Video) is an all-star drama made for U.S. TV and the video market. The title might deceive you into thinking it's an adaptation of the famous *succes de Stendhal*; but it's actually a tale of shenanigans in the Vatican during World War 2. Peck plays gallant Monsignor O'Flaherty, finding Roman sanctuary for hundreds of Nazi-fleers, Christopher Plummer is his hissing enemy, Colonel Kappler of the SS, and John Gielgud, as intimated, is His Holiness.

I am all for extending the realm of made-for-video films from the usual D.I.Y. and documentary cassettes to full-length feature films. And for a while this Jerry London-directed thriller pounds a gripping beat through the based-on-truth tale of how O'Flaherty risked his life to find furnished accommodation for over 1,000 refugees and resistance fighters, fleeing the wrath of Adolf or Il Duce.

But ere long the aim-low instincts of the video market reveal themselves in an ever pulpier riot rife with coincidences, dotty dialogue and wild melting-pot accents. In addition to Oirish Peck, and Gielgud trilling Old Vic English, we have Father Raf Vallone, impenetrably Italian, and clipped Teutonic Plummer who speaks almost entirely in words of one sentence: viz. "Rome? I. Own. Rome."

In the late stages, the movie sends Peck scurrying about the Eternal City in an assortment of disguises that even the Scarlet Pimpernel would draw the line at: a blind trinket seller, a street-sweeper, a six-foot nun and an SS officer. Surreally you?" gasps Father Vallone at this last apparition. Surreally is.

But at least the film's policy idea is right. If video is to find its own identity, it must start creating its own movies and not rely wholly on plundering those from the cinema, usually impoverishing them in the process.

New York New York (Warner Home Video) certainly suffers from the curse of miniaturisation. Whenever I see it on the big screen, Martin Scorsese's much-brickbatted 1976 musical seems far better than the much-praised 1954 *A Star Is Born*, on which it is clearly modelled: even to having Liza Minnelli taking on her mother's role as the rising showbiz star going through married hell with her waning showbiz husband.

In video the spectacular production numbers tend to disappear into a pastel fuzz of poor definition. But the scenes of marital harum-scarum which are the movie's real strength—and in which few married couples won't recognise a twinge or two of their own lives—survive virtually unscathed. And Robert De Niro's frighteningly volatile performance as the husband is brilliant, like a series of nerve-ends wired up to an unpredictable generator.

Don Shebib's *Heartaches* (Guild Home Video), another tale of jostled emotions, whisks us to the Frozen North, Canada, to wit, where pregnant runaway wife Annie Potts meets up on

VIDEO

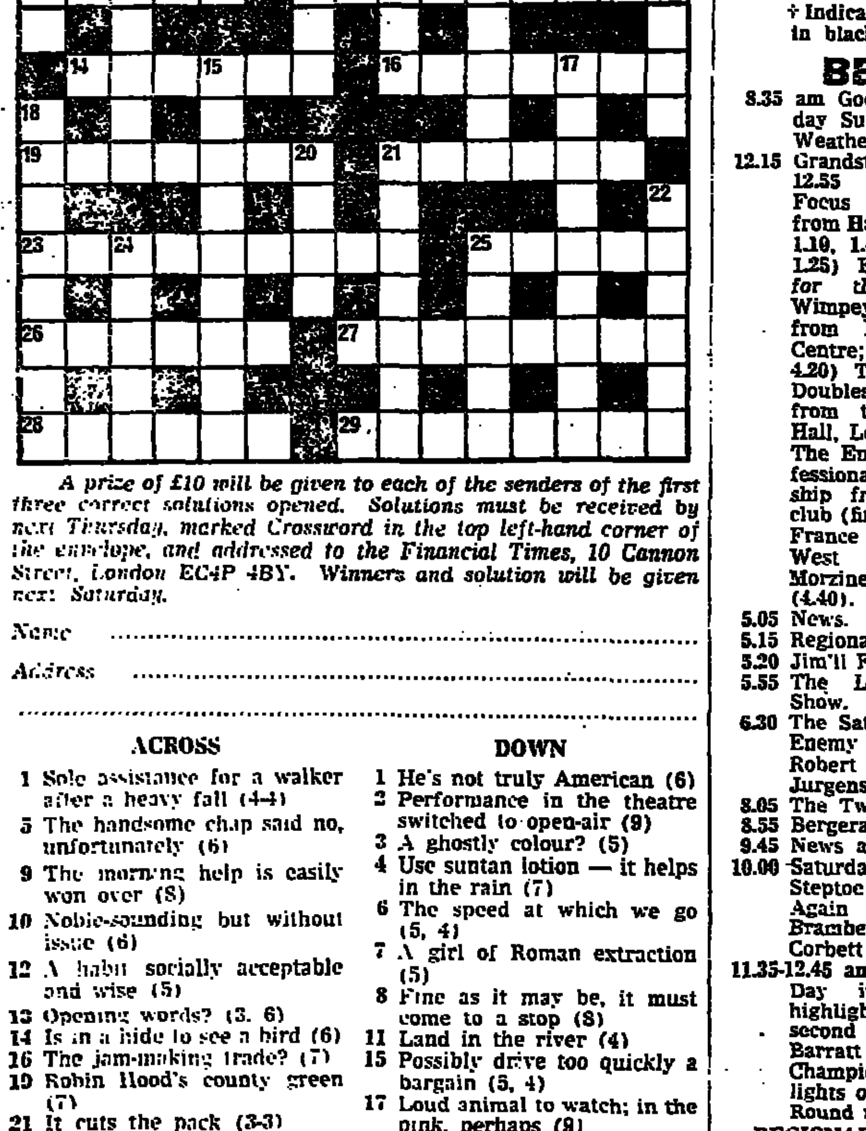
NIGEL ANDREWS

the road with kooky promiscuous blonde Margot Kidder (of *Superman* fame). And thereby hangs—not so much a tale, more a let's-make-this-up-as-we-go-along laughter and tears opus. *Heartaches* never opened in this country and one can see why: it's sweet-natured but painfully attenuated. Only Ms Kidder gives good value. Vibrant, pugnacious and husky-vowelled, she shows she can flex more acting muscles than are dreamt of in her Lois Lane.

Nothing redeems *Getting Wasted* (CBS/Fox), similarly unreleased on the big screen in Britain. Paul Frizler directed this soi-disant comedy set in a U.S. army school, where the inmates get up to such japes as smoking banana-skins, blowing up lavatories and greasing railway tracks (though I never did understand why). The funniest character is a stuffed parrot. He sits on the shoulder of a local beachcombing hippy and looks properly askance at the dire dialogue flying all around him.

Finally, an award for the outstandingly loony title change of the year. VCL have brought out on video Peter Duffell's 1974 film *England Made Me*, based on Graham Greene's wartime novel and starring Peter Finch and Michael York. This subtle, dignified and evocative film is now available under the title—*Rape of the Third Reich*.

F.T. CROSSWORD PUZZLE NO. 5,310



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

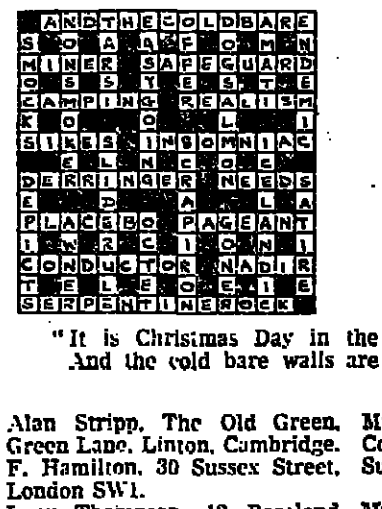
ACROSS

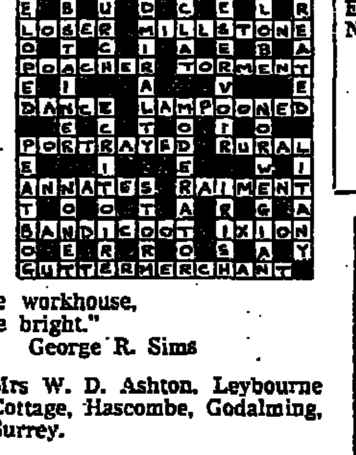
1 Sole assistance for a walker after a heavy fall (4-4)
5 The handsome chap said no, unfortunately (6)
9 The morning help is easily won over (8)
10 Noble-sounding but without issue (6)
12 A habit socially acceptable and wise (5)
13 Opening words? (3, 6)
14 Is in a hide to see a bird (6)
16 The jam-making trade? (7)
19 Robin Hood's county green (7)
21 It cuts the pack (3-3)
23 Revolutionary diversion for clubmen (5-4)
25 Relish a piece of impudence (5)
26 Study some in deep depression (6)
27 Allowed income? (8)
28 Inflexible student of form? (6)
29 It presses for accommodation by the club (4-4)

DOWN

1 He's not truly American (6)
2 Performance in the theatre switched to open-air (9)
3 A ghostly colour? (5)
4 Use suntan lotion — it helps in the rain (7)
6 The speed at which we go (5, 4)
7 A girl of Roman extraction (5)
8 Fine as it may be, it must come to a stop (8)
11 Land in the river (4)
15 Possibly drive too quickly a bargain (5, 4)
17 Loud animal to watch; in the pink, perhaps (9)
18 Bird of ill-omen to an old criminal? (8)
20 A time when there are most strikes? (4)
21 He doesn't believe in field-marshals (7)
22 Be a shade embarrassed? (6)
24 Had conceded (5)
25 It's an order which sometimes perpetuates his name (5)

CHRISTMAS CROSSWORD SOLUTION AND WINNERS





"It is Christmas Day in the workhouse,
And the cold bare walls are bright."
George R. Sims

Alan Stripp, The Old Green, Green Lane, Linton, Cambridge.
F. Hamilton, 30 Sussex Street, London SW1.
Lucy Thompson, 12 Roseland House, 20 Weimar Street, London SW15.
Mrs W. D. Ashton, Leybourne Cottage, Hascombe, Godalming, Surrey.
Mrs Mary Briggs, Hillgarth, 195 Windermere Road, Kendal, Cumbria.

† Indicates programme in black and white

BBC 1

8.35 am Godzilla. 9.00 Saturday Superstore. 12.12pm Weather.
12.15 Grandstand, including 12.55 News: Football Focus (12.20); Racing from Haydock Park (12.40, 1.10, 1.40); Boxing (1.00, 1.25) England v Ireland *for the first George* Wimpey International from Bletchley Leisure Centre; Tennis (1.50, 3.35, 4.20) The Barratt World Doubles Championship from the Royal Albert Hall, London; Darts (3.0) The Embassy World Professional Darts Championship from Jollees Show club (final); Ski-ing (3.55) France and Pfronten, West Germany from Morzine; Final Score (4.40).
5.05 News.
5.15 Regional Variations.
5.20 Jim'll Fix It.
5.55 The Little and Large Show.
6.30 The Saturday Film: "The Enemy Below" starring Robert Mitchum and Curt Jurgens.
8.05 The Two Ronnies.
8.55 Bergerac.
9.45 News and Sport.
10.00 Saturday Late Film: Steptoe and Son Ride Again starring Wilfred Brambell, Harry H. Corbett with Diana Dors.
11.35-12.45 am Match of the Day including Tennis, highlights of tonight's second semi-final for the Barratt World Doubles Championship and highlights of one FA Cup 3rd Round match.

REGIONAL VARIATIONS

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.00 Sportscene. 10.30 "Cleopatra Jones" starring Tamara Dobson and Shelley Winters. 11.55 Join BBC 1 International Tennis.

Northern Ireland—4.55-5.05 pm Northern Ireland results (opt-out from Grandstand). 5.15-5.20 Northern Ireland News. 12.25 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport; South West (Plymouth)—Spotlight Sport; All other English regions—Sport/Regional News.

BBC 2

10.10 am Open University.
2.45 pm Saturday Cinema: "The Toast of New Orleans" starring Mario Lanza, Kathryn Grayson and David Niven.
4.20 Play Away.
4.45 World Darts.
7.05 News and Sport.
7.25 Cameo.
7.35 The 20th Century Remembered: Jack Jones, former General Secretary of the TGWU, talks about his early life in Liverpool.
8.05 Say Something Happened.
8.50 Grace Bumbry and Shirley Verrett: Two sopranos in partnership for a concert at the Royal Opera House, Covent Garden.
10.20 Darts: Highlights of the final of the World Professional Championship.
11.05 Men . . . and Masculinity: First of five films which open the debate about what's happening to men.
11.30 News on Two.
11.35-1.25 am "Farewell to Manzanar" (film made for television).

LONDON

6.25 am TV-am Breakfast Programme. 9.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm *World of Sport*: 12.20 World Cup Skiing from Morzine, France, and from Pfronten, West Germany; 12.45 News; 12.50 On the Ball; 1.20 The ITV Seven from Sandown and Warwick (introduced by John Oaksey and Jim McGrath); 3.10 Show Jumping—The Martell Cognac Championship — Great Britain v Europe; 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 The Fall Guy.
6.30 Child's Play.
7.00 3-2-1.
8.00 Cannon and Ball.
8.45 News.
9.00 "Don't Go To Sleep" starring Dennis Weaver.
10.45 Profiles in Rock (The Moody Blues).
11.45 London News Headlines followed by tribute to Alexis Korner.

CHANNEL 4

12.15 am Best of Saturday Night Live with Lily Tomlin, James Taylor and The Muppets, followed by Night Thoughts with the Rev Peter Lewis.
2.00 pm Coping.
2.25 "The Conqueror," starring John Wayne.
4.35 Skateaway
5.05 Brookside.
6.00 The Other Side of the Tracks.
7.00 News Headlines followed by Seven Days.
7.35 Madam: Checkmate with David Ashmole, Margaret Barbieri, David Bintley and Sherilyn Kennedy.
8.25 The Face of the Deep.
9.25 The Avengers.
10.25 The Comic Strip presents Dirty Movie.
11.05 "Rosemary's Baby" written and directed by Roman Polanski and starring Mia Farrow.

S4C (WALES)

2.05 pm A Week in Politics. 2.45 The Amateur Naturalist. 3.15 Feature Film: "Edison, the Man." 5.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.15 Storom Bywyd. 8.15 Treasure Hunt. 9.15 Y Maes Chwarae. 10.05 Arolwg. 10.35 Dream Stuffing. 11.05 Feature Film: "Secret Agent," starring John Gielgud.

REGIONS

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Vicky the Viking. 10.25 Unicorn Tales. 5.35 pm Knight Rider. 10.45 The Roots of Rock' n' Roll. 11.45 *Preview. 12.15 pm At the End of the* Day.

BORDER

9.25 am Vicky the Viking. 9.50 Once Upon a Time Man. 10.15 The Smurfs. 5.35 pm Knight Rider. 10.45 The Fugitive.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Metal Mickey. 9.55 Wattoo, Wattoo. 10.00 The Green Hornet. 5.35 pm Knight Rider. 10.45 *Superstars of Music: Rod Stewart from* the Los Angeles Forum.

CHANNEL

9.25 am Thunderbirds. 10.25 Puffin's Pla(i)ce. 5.05 pm Puffin's Pla(i)ce. 5.40 Knight Rider. 10.45 Jerry Lee Lewis in Concert. 11.45 Sean Connery.

GRAMPIAN

GRANADA

10.20 am Cartoon. 5.35 pm Knight Rider. 10.45 Tina Turner—Queen of Rock'n Roll. 11.55 Thriller.

HTV

10.25 am Cartoontime. 12.13 pm HTV News. 5.35 Knight Rider. 10.45 Hill Street Blues. 11.45 Newhart.

HTV Wales as HTV WEST except: 10.45 pm Club Rugby. 11.30-12.30 am Hill Street Blues.

SCOTTISH

9.25 am Foo Foo. 9.35 Stingray. 10.00 The Flying Kiwi. 10.25 Adventures of the Mouse on Mars. 5.35 pm Knight Rider. 10.45 The Saturday Night Music Show—All Kinds of Country Special. 11.45 Late Call. 11.50 Newhart.

TSW

9.25 am Dick Tracy. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Fraggle Rock. 5.40 Knight Rider. 10.45 Superstars of Music. 12.30 am Postscript. 12.35 South West Weather.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.35 Knight Rider. 10.45 Presenting Price. 11.45 Paris by Night. 12.15 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 12.13 pm North East News. 5.05 North East News. 5.10 Fraggle Rock. 5.40 Knight Rider. 10.45 James Brown—Soul Brother No 1. 11.45 Journey to the Unknown. 12.45 am Poet's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.08 Ulster News. 5.10 Fraggle Rock 5.40 Knight Rider. 8.59 Ulster Weather 10.45 Star Parade. 11.45 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Melotoons. 9.35 Metal Mickey. 10.00 University Challenge. 5.35 *pm Knight Rider.* 10.45 Great Fights of the '70s (Conteh v Matthew Saad Muhammad). 11.45 City of Angels.

(S) Stereo Broadcast

RADIO 1

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 Annie in Conversation (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

BBC RADIO 2

8.00 am David Jacobs (S). 10.00 Sounds of the 60s. 11.00 Album Time (S). 1.00 pm I'm Sorry, I Haven't a Clue. 1.30 Sport on 2: Football: News and scores from today's 32 cup ties in *the FA Cup 3rd Round: commentary on* the second-half of one game from 3.55 pm; Racing from Sandown at 1.30 and 2.00; Tennis: Barratt World Tennis Doubles from the Royal Albert Hall: plus news of the day's rugby trials and the latest from the Embassy World Darts Championship; 5.00 Sports Report including 5.45 Racing Results and 5.50 Pools news and results. 6.00 Country Greats in Concert. 7.00 Jazz Score. 7.30 Los Paraguayos in Concert (S). 8.30 Georgie Fame Does His Thing (S). 9.30 Big Band Special (S). 10.00 Hits of Europe '83 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 a.m. Bill Rennells presents You and the Night and the Music (S).

BBC RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 BBC Welsh Symphony Orchestra, part 1: Sibelius (S). (11.56 Interval Reading.) 12.00 Part 2: Prokofiev, Tchaikovsky. 1.00 pm News 1.05 Beethoven and Bridge cello and piano recital (S). 2.00 Georg Philipp Telemann (S). 3.05 BBC Scottish Symphony Orchestra (S). 4.20 Piano Music by Dvorak (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 From the 1983 Nurnberg Organ Week in St Sebald's Church: Frescobaldi, Reger (S). 7.05 The Mad Pomegranate and the Preying Mantis (S). 7.30 Concert from Leeds from the Town Hall, part 1: Respighi, Mozart (S). 8.25 Dressed to Thrill. 8.45 Concert, part 2: Vaughan Williams (S) 9.40 The Innocent Ear (S). 10.45 The Romance of the Rose (S). 11.15-11.18 News.

BBC RADIO 4

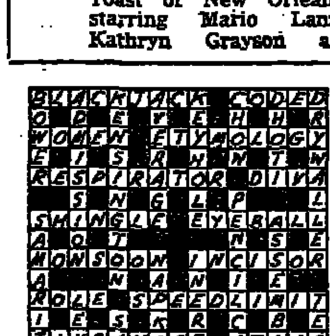
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective, 7.50 It's A Bargain. 7.55 Weather; Travel: Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4 8.48 Breakaway, including 8.57 Weather; Travel and 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm The First Half Century (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? from Westgate-on-Sea. 1.55 Shipping Forecast. 2.00 News. 2.05 *Thirty-Minute Theatre.* 2.35 *Medicine* Now. 3.05 Wildlife. 3.30 Treasures and *Trifles.* 4.00 News: *International* Assignment 4.30 Does He Take Sugar? 5.00 Lifeboat for the Banks. 5.25 Week Ending (S). 5.50 Shipping Forecast 5.55 Weather; Travel; Programme News. 6.00 News: Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Design by Design. 11.00 Lighten our Darkness (S). 11.15 Animal Language 11.45 A Sideways Look At . . . with Anthony Smith. 12.00 News

RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 The Way It Was. 9.30 Book Now 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold The Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am As Radio 2.

LONDON BROADCASTING

7.00 am AM with Peter Deeley. 10.00 Jellybone with Clive Bull. 12.00 LBC reports with Des Fahy. 1.00 pm Sportswatch with Jeff Stelling. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala with Suresh Joshi. 9.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline with Adrian Love. 1.00 am Night Extra with Steve Allen.



SOLUTION AND WINNERS OF PUZZLE NO. 5,305

F. E. Brook, 19 Queens Crescent, Falkirk.

D. M. Weightman, 41 Smitham Bottom Lane, Purley, Surrey.

J. K. Wylie, 63 Glen Road, Comber, Co. Down, N. Ireland.

CHESS SOLUTIONS

Solution to Position No. 497

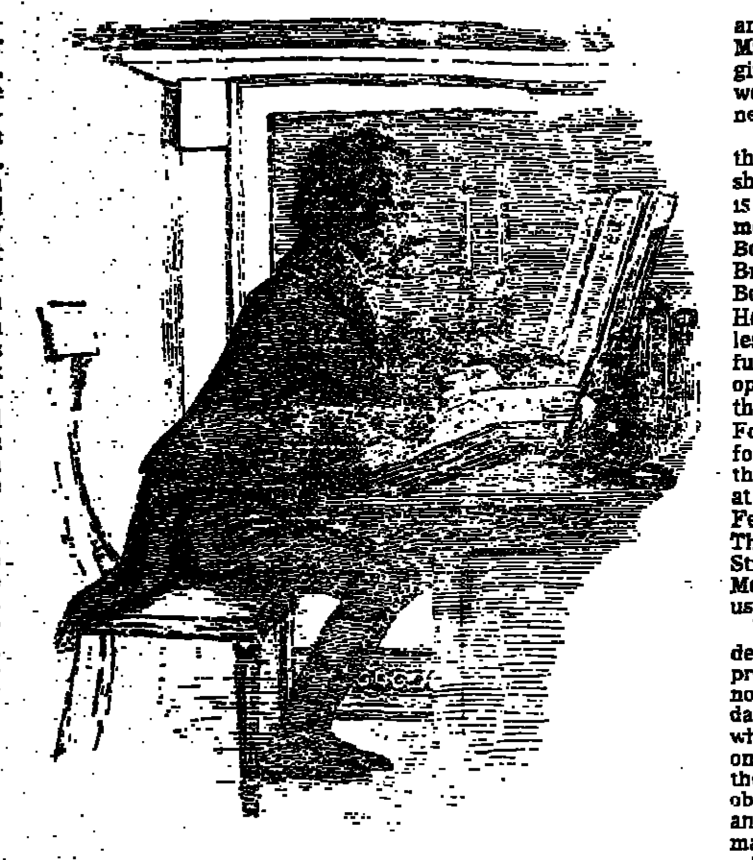
1 R-B1 ch, K-N4 (if BxR; 2 Q-B5 ch and 3 Q-B7 mate): 2 B-R7! Resigns. White threatens 3 Q-R7 mate, while if BxR; 3 Q-N6 mate.

Solution to Problem No. 497

1 B-N7, P-K5; 2 B-R6, K-B6; 3 RxP mate. If 1 ... PxP; 2 BxP, P-K7 (else 3 B-Q6 mate); 3 B-B1 mate.

Lamb's tales for a wet Sunday afternoon

BY WILLIAM ST CLAIR



WEEKENDS HAVE traditionally been a bad time for book collectors. Charles Lamb, retiring after 36 years in the East India Office (on a two-thirds of final salary pension scheme) reflected wistfully that, during his 30 years as a collector, the bookstalls had been closed on the only day of the week he was able to visit them.

Thomas de Quincey, opium eater, self-employed, died in poverty when his annuities were commuted and his book collection sold. In his *Confessions* he recalled the fateful wet Sunday afternoon in London when he had first taken to drugs to combat the boredom.

Nowadays things are better, both on Saturdays and on Sundays, and if we cannot restore the Saturday mornings when Geoffrey Keynes found Elizabethan plays, Blake engravings, and unpublished Donne manuscripts piled high on the barrows for sixpence each, there is much to celebrate.

Most bookshops of interest to collectors in Central London remain firmly shut at weekends. But one in Sackville Street, one in Museum Street, and one on the Charing Cross Road are now open on both days. Others are likely to follow.

From May to October a vigorous open-air book fair is to be found on Fridays and Saturdays in the Royal Academy drive in Piccadilly, with a promising year-round offshoot in the churchyard of St James's church. Collectors from Whitehall and the clubs of Pall Mall belt their lunches on Fridays, recognisable as they hurry back to work by the pink-and-white striped paper bags which are now as distinctive of old books as Dutch marble end papers.

The Royal Academy fair, though small, is always worth a visit with a number of antiquarian books on offer as well as a general stock of second-hand books, prints, and ephemera. I still regret the Coleridge Association item which I didn't buy last summer.

Across the river, a brave attempt has been made this year to transplant Parisian *bouquinistes* near the National Film Theatre. Ten stalls line the embankment under Waterloo Bridge and are open from Thursdays to Sundays, weather permitting. A few other traders operate near the National Theatre box office. This fair, which began in July, resumes in March after a three month break. I hope it enjoys more sustainable growth than the colourless plants which are interspersed in huge pots among the dismal concrete. Much though I should like to give encouragement, it is not worth a detour unless you are near the South Bank.

The monthly book fairs in the Bloomsbury hotels are sheer delight. The Bonnington is on the third Sunday of every month, 11 am to 7 pm, at the Bonnington Hotel, near the British Museum. The Provincial Booksellers' fair at the Russell Hotel, Russell Square, has a less regular cycle, but thankfully it seldom clashes. It is open on Sunday evenings and the following Monday all day. For the next fair, in a unique foray to Chelsea, it will be at the Town Hall today, next dates at the Russell being 5 and 6 February and 4 and 5 March. The Ivanhoe, Great Russell Street, has a monthly fair on Mondays and Tuesdays which is usually planned to coincide.

When not in London, the dealers are in successive provincial centres (opening normally on Fridays and Saturdays) in a stately progress which ensures a visit at least once a year. By visiting one of the London fairs, you can obtain a card of all the dates and places to keep on your mantlepiece as a reminder.

The Provincial Booksellers' Fair is the biggest and best, with two ballrooms of stalls full of all types of old books and prints from the 16th to the 20th centuries and even the occasional incunable, at prices which are no higher than in the shops.

As five o'clock approaches groups of waiting bibliophiles nervously discuss which room to try first and how best to make the long circuit, and when the signal is given they march briskly to their chosen starting points. Book collectors are keen, and some are entrepreneurial, but since interests vary so widely there is no need to be competitive or to use elbows. There is more than enough for everyone, and you are just as likely to find what you want on the second day as the first.

One distinctive figure who is always there early scarcely looks at the book, but brightly asks every dealer: "Anything for me?" He is presumably operating in a narrow market. Another has a tiny torch, probably designed for dentists, which allows him to read faded backs in badly lit corners.

The dealers try to give the impression that they are not *really much interested in selling*, at any rate at current depressed prices — as always, the problem is finding the stock, not the customers — but those who perch pints of beer all round their stalls so that you can't get near are perhaps carrying bluffing too far.

The contemporary copy of Sir Thomas Browne's *Religio Medici* looked a good bargain at £35, but some collectors are more interested in Everymans at £1 or £2 each, which are far better value than new editions of the same works.

When supper time arrives and parcels are unwrapped, doubting members of the family can be authoritatively assured that the latest acquisitions are not only works of literature and desirable art objects in their own right, but essential components of a planned retirement package which is certain to outperform every financial index in sight.

The book collecting column will appear monthly.

Arthur Sandles hopes for better skiing conditions

But the snow must go on

THE FIRST rule of skiing when the snow is bad is to use other people's equipment. Why wreck those nice new Rossignols on some Tyrolean rock?

The balmy start to 1984 suffered by most European ski areas means that, whatever happens over the next week or so, the hidden rock is going to be a problem for some time to come.

Any new snow that falls will take a while to consolidate and, until it does, your skis are likely to carve straight through to ground level from time to time.

Ski repair these days has become a question of good news and bad news. The good news is that ski soles are fairly quickly returned to pristine quality, but the bad side of this particular coin is that damage to the steel edge is likely to prove fatal.

The days when you could simply unscrew a section have long since gone. A severe tear, one that separates the edge from the sole, often means a new set of skis—and thus we say farewell to another £100.

Most insurance companies are strangely unco-operative in such circumstances. Not only will they only pay second-hand value for the skis, but also they will only pay for one ski.

Buying a single ski is virtually impossible. The wise skier thus not only insures equipment, but also makes sure that the insurer takes a sensible approach to the problem. But the real insurance is to ski on rented equipment when the rock risk factor is high.

The bad conditions, particularly in the western alps, over the past couple of weeks seems to confirm the folk wisdom that winter is moving these days.

A White Easter is increasingly more likely than a White Christmas. Booking ski trips much before the second week in January is becoming a risky business, particularly for beginners who need the softer pastures of the lower slopes.

Given our own conditions in Europe (but not in Scotland) it was particularly galling to receive a letter this week from a friend in Colorado.

There the resorts are enjoying oceans of new soft powder snow. Perhaps the dollar will tumble back to exchange reality by next winter. Then we can all join in.

SNOW REPORTS

EUROPE		
Andermatt (Sw.)	50-120cm	Fresh snow on icy base
Arosa (Sw.)	80- 90cm	New snow on good base
Avoriaz (Fr.)	70- 70cm	Wonderful snow everywhere
Davos (Sw.)	40-110cm	Excellent on upper slopes
Flaine (Fr.)	64-135cm	Powder on hard base
Isola (Fr.)	65-115cm	Lower south facing slopes ic
Leysin (Sw.)	20- 80cm	New snow on hard base
La Plagne (Fr.)	80-160cm	Good powder
St. Anton (Aus.)	40-100cm	Powder on icy base
Sauze d'Oulx (It.)	5- 30cm	Lower slopes very worn
Seefeld (Aus.)	40- 70cm	Good powder on hard base
Tignes (Fr.)	50-100cm	New snow on icy base
Wengen (Sw.)	20- 50cm	New snow transforms skiin
European reports from Ski Club of Great Britain representative		
THE U.S.		
Aspen (Col.)	31- 78ins	Packed powder
Hunter (N.Y.)	16- 76ins	Packed powder and machine snow
Park City (Ut.)	67- 95ins	Packed powder
Squaw Valley (Calif.)	36-120ins	Fine packed granular
Stowe (Vt.)	26- 58ins	Packed powder
Sugarbush (Vt.)	6- 33ins	Packed powder and machine snow

Figures indicate depths of snow at base and top stations

Tasting the delights from Chateau BMW

MOTORING

STUART MARSHALL

The BMW 318i, 4-door saloon

BMW CELEBRATES the New Year by introducing no fewer than 10 new and improved models to the British market. Just before Christmas I tried two of them, the 318i four-door (pictured) and 728i SE.

Leaving Nice Airport in a torrential downpour — does it always rain on the Cote d'Azur in winter, or only when I'm there?—the 318i made light work of a 440-mile autoroute leg to Saulieu.

The four-cylinder, fuel-injected engine produces 105 bhp at a silken, if not silent, 5,800 rpm but develops its maximum torque (pulling power) at 4,500 rpm. There is no need to thrash the engine. Overdrive fifth in the pleasant manual box gives over 23 mph per 1,000 rpm.

Cruising at autoroute speeds is most relaxing, even if the high top makes it necessary to drop down to fourth now and again to maintain speed on long upgrades. The extra pair of doors turns the 318i into a proper four-seater, easy to enter and leave and with a sensibly large boot.

It is an inch or two shorter but at £9,050 a little cheaper than its obvious rival, the Mercedes 190, which also falls to get into the under-18000cc tax level for company cars. And which is the better car? It's like choosing between a Chateau Latour or a Chateau Margaux. I pass; it depends on the mood.

For the second leg (Saulieu, Calais and then to collect my own car from Gatwick) I drove a 728i SE automatic, £16,995-worth of fast and desirable machinery with the best transmission now available for a businessman's car.

It is a four-speed automatic with a high (27.2 mph per 1,000 rpm) top for relaxed economy and an opportunity to choose three performance modes at the turn of a knob.

In economy, it changes up as soon as practicable. In sports, it delays changing up and keeps out of overdrive for more spirited, though still unfussed, performance. Manual shifting is also possible.

The 728i SE and 732i SE come complete with ABS anti-lock brakes, alloy wheels and electric sunroofs and a choice of manual or automatic transmission at the same price.

ABS brakes, central locking, on-board computer and electric windows are available on the six-cylinder 320i and 323i for 1984. The three-way switchable automatic is £315 more than the standard four-speeder.

Trevor Bailey on UK soccer's dilemma

Why the world isn't ours

WITH UK soccer so good at club level, why do our national teams do so badly in the battle for world honours?

We have the advantage of being able to field five national sides — England, Scotland, Wales, Northern Ireland and Republic of Ireland — but our record in the European Nations and World Cup competitions has been dismal in the last decade.

Yet, at the same time, our clubs from the English and Scottish Leagues, which supply over 95 per cent of the five countries' players, have been better than any other clubs in Europe.

In three different tournaments between 1972-73 and 1982-83, the European Cup, the European Cup Winners Cup and UEFA Cup, our leagues have supplied 12 winners and six losing finalists.

Even more remarkable have been the performances of English and Scottish teams in the most important of the three competions, the European Cup. Our clubs have dominated it—seven winners in the last ten years and one runner-up.

I believe our leagues are the strongest — as well as the largest — in the world and we should beat any country if the games were staged between the best 100 sides.

We have Liverpool, one of the most consistent and finest teams in the world. And even though the English League contains many brilliant Scottish, Welsh and Irish footballers who go to their national teams, one might still expect Bobby Robson's job of selecting an England team likely to reach the later stages of any international or world tournament on pure ability as comparatively easy.

It is significant that England are currently ranked 13th with Portugal, in the France Football Magazine, which had Wales at 14, Scotland 20th, Eire 21st and Northern Ireland a most respectable 10th.

So why have so many of our League footballers, with the exception of goalkeepers and second centre backs, so often failed at the highest level? One of the most important reasons is that the English League programme is too long, too demanding and contains no easy matches.

The manager whose livelihood depends on his team achieving the right results and not on the entertainment they provide, must to some extent be motivated by fear. He expects 100 per cent effort. It is not possible for the really creative who thrives on the big occasion to raise his game all the time. So managers are tempted to include the honest fit workmen, who never stop running, because they provide the consistency required to win league matches.

Although they may be short of craft their pace and determination make it difficult for the opposition to find their normal rhythm. And it is easier to destroy than build, and this often leads to enforced mistakes by the other side which frequently produce that all-important goal.

Another cause for the shortage of brilliant ball players in the English league could well stem back to school football where enthusiastic masters and parents think rather more about winning matches than developing skills.

The most frustrating thing about managing any of our five national teams must be the knowledge that your success depends upon the co-operation of the individual clubs who pay the wages.

They do help —there are certain financial advantages in having international players on the books—but not of course if it is liable to have an adverse effect on their own objectives. Every club chairman and manager naturally wants to see England do well, but more important for them, is winning league games, doing well in the Cup and satisfying the customers.

CHESS

LEONARD BARDEN

HASTINGS'S status as the Mecca of British chess has been usurped in recent years by a stream of great international events in London culminating in the Kasparov v Korchnoi match and Karpov's appearance at Phillips and Drew. But Hastings keeps its tradition as the world's senior tournament: the first chess Hastings was in 1895 and the congress has been held annually, war years apart, since 1919.

Two important aspects of current Hastings policy deserve better recognition. They are an emphasis on fighting play—the organisers dislike "drawing masters"—and shrewd judgment of the world ranking list. Once again in the year's event—sponsored by Advanced Consumer Electronics, who are associated with the SciSys range of chess computers—the contenders for grandmaster and international master titles are given a very fair opportunity. Certain other British all-play-alls could learn from director Ritson Morry who has assembled an event low in world category II and with most of the players rated close to their true strength.

Unfortunately the major British hope for a title result—Nigel Short going for grandmaster at age 18—looked out of contention in early rounds; but our other representatives Mestel, Speelman, Hebden and Martin all began well. Memories are dimmed of the years when the home players regularly finished bottom of Hastings.

As for fighting chess, this week's game is a remarkable exhibition of uncompromising play from both sides. White manages to win after being two rooks down, but an even more original contribution to strategic theory is his concept of protecting a backward pawn at Q2 by rooks at QR2 and KR2. Nimzovitch and Tartakover in their most bizarre fantasies hardly equalled that.

White: L. Karlsson (Sweden).
Black: M. Suba (Rumania).
English opening (ACE Hastings 1983-84).

1 P-QB4, P-KN3; 2 N-QB3, 3 P-KN3, P-K4; 4 B-N2, N-K2; 5 P-K3, O-O; 6 P-KR4.

Only move six, and the first statement of aggressive intent.

6 . . . P-QB3; 7 Q-N3, N-R3.

Black signals his reply: play against the white queen and the holes in the white pawn centre.

8 KN-K2, N-B4; 9 Q-B2, N-K3; 10 Q-N3, P-QN3.

Declining a possible draw by repeated moves.

11 P-R5, P-Q4; 12 RPxP, N-QB4!

"If I can place my knight at Q6 or K6, I can go to sleep and let the game win itself" said old world champion Steinitz. Black now takes a strong initiative, while White waits for a chance to use his long-term counter against the cornered black king.

13 PxRP ch, K-R1; 14 Q—Q1, N—Q6 ch; 15 K-B1, PxP; 16 P—N3, P—KB4; 17 P—B4, P—K5; 18 B—QR3, PxP; 19 PxP, P—B4; 20 K—N1, R—B3; 21 P—KN4, R—N3; 22 P—N5, R—Q3.

The backward pawn is under pressure. Black is well centralised, and White is struggling, but now comes the original touch.

23 R—QR2!? B—K3; 24 B—KB1, N—B3; 25 R—R2!?

Everyone knows about doubled rooks on the seventh, but here we have semi-doubled rooks on the second. The point is to divert Black long enough for White to conjure some threats against the king.

25 . . . N—R4; 26 Q—N1, BxP; 27 N—N3! BxR?

Exchanging a bishop for White's dugout rook weakens the light squares and gives White his chance. Maybe best is the counter-sacrifice 27 . . . NxP; 28 PxN, P—K6.

28 QxB, N—K8; 29 N(B3)xP! N—B6 ch; 30 K—R1, PxN; 31 B—QN2!

The climax of White's imaginative coup. For the moment he is two rooks down but the king is forced into the open.

31. NxR; 32 BxB ch, KxB; 33 N-B5 ch, K-R1. Forced, for if KxP: 34 Q-B7 ch, or if K-N3; 34 NxR, QxN; 35 Q-N8 ch.

34 Q-N2 ch, R-Q5; 35 PxR, KxP; 36 KxN, Q-Q4?

A time pressure blunder allows a knight fork; 36...P-B5 fights on.

37 P-N6 ch! KxP; 38 N-K7 ch, K-B2; 39 NxQ, R-R1 ch; 40 K-N1, R-N1 ch; 41 K-B2, resigns.

POSITION No. 497

BLACK (11men)

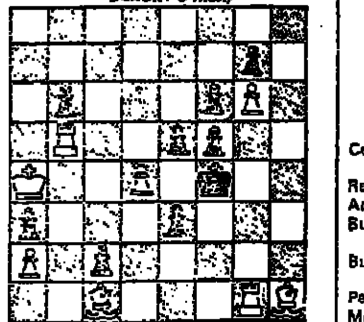
WHITE (10men)

A. S. Denker v H. Feit, New York, 1929. Grandmaster and former U.S. champion, Arnold Denker, rates this his most memorable finish, better even than his 25-move victory over Reuben Fine that won the U.S. title.

As White (to move), Denker was already two pieces down with no obvious attacking continuation. 1 QxB is met by KxB and 1 Q-R4 ch by B-N4. What should White play and how did the game end?

PROBLEM No. 497

BLACK (9 men)



WHITE (8 men)

White mates in three moves, against any defence (by J. and T. Warton). Black's king has no escape and he has only pawns to counter White's pieces but the answer is still a surprise.

Solutions Page 12

BRIDGE

E. P. C. COTTER

IN A LARGE number of hands the declarer's play to trick one determines the success or failure of the contract. So let us call this first example, which comes from rubber bridge, "The old, old story:"

N
♠ A 10 9
♡ A 10 3
◇ Q 10 7 4
♣ A 5 4

W
♠ 7 4
♡ 9 7 5
◇ K 8 8
♣ K 9 8 7 3

E
♠ Q 8 6 3 2
♡ Q 8 6 4 2
◇ A
♣ J T

S
♠ K J 5
♡ K J
◇ J 9 5 3 2
♣ Q 10 6

East-West had won one game when North dealt and opened the bidding with one club, East passed, and South had to find the best response. He eventually settled for two no trumps in order to protect the tenace positions in both his major suits, and the opener's raise to three no trumps concluded the auction.

West led the seven of clubs, dummy played low, and South took East's Knave with the Queen. He then led a diamond to the Queen, East won and returned the two of clubs to the ten, King, and Ace. Another diamond was taken by the King, and West cashed three clubs to defeat the contract.

The declarer was quite a reasonable player, and I am sure that, if he had held King and two low clubs, he would have recognised the standard hold-up with two stoppers, but the holding of Queen, ten over East's Knave created the illusion that he was gaining a trick by covering. He should allow the Knave to win—he still has two stoppers in the suit. East returns his other club, and the Queen wins. Now unless West has both Ace and King of diamonds, the contract is secure. When East obtains the lead with the diamond Ace, he has no club to lead back, and the defence can do nothing to prevent the declarer from gathering in nine tricks. In fact East is endplayed, and his forced major suit return must concede an overtrick.

The second hand, also from rubber bridge, illustrates something I have discussed before—"The entry-destroying delayed finesse:"

N
♠ Q 5 3
♡ 7 4 2
◇ A Q J 9
♣ 7 5 3

W
♠ 10 9 8 6
♡ 10
◇ 7 6 5 4
♣ A 10 4 3

E
♠ K J 7 4 2
♡ Q J 8
◇ 8 3
♣ Q J 9

S
♠ A
♡ A K 9 6 5 3
◇ K 10 2
♣ K 8 6

With North-South vulnerable South dealt and bid one heart, and North replied with two diamonds, though many players would prefer one no trump. South rebid three hearts, and North raised to four.

West led the spade ten, East dropped an encouraging seven, and the Ace won. South cashed the Ace of hearts—a completely pointless manoeuvre—followed with the King, West showed out, and the writing was on the wall. The declarer tried to run dummy's diamonds, hoping for a 3-3 break in the suit, but East ruffed the third round and led the Queen of clubs, which defeated the contract.

South should have looked more deeply into the position. He can afford to lose one trump trick, provided that he does not lose it to East. The precarious situation of the club King is the deciding factor. At trick two South must cross to dummy with a diamond, and return a heart. If East has Queen, Knave, and ten, there is nothing he can do. But when East produces the eight, he must cover with the nine, and West's ten takes the trick. The club King is protected. Declarer ruffs the spade return, draws the trumps, cashes four diamonds, discarding one club, and leads a club for a possible overtrick if the Ace is favourably placed.

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Saturday January 7 1984

Red faces in the markets

CERTAIN flushed condrtion normal in the markets just ter the Christmas break. odwill reigns, there is a ethora of forecasts to focus pectations, and coupon money looking for a home. This year, addition, there is another nd of red face to be seen: ose who had forecast a rise dollar interest rates, or a fall the dollar itself, or disen-antment in the equity markets ice the forecast profits had owed through. These two con-tions would both help to plain the new peaks in dollars id equities which have been en this week and would give warning that these peaks ight not be too trustworthy.

cenario

However, a flush can suggest mething besides over-indulg-ice or embarrassment: it can feverish, and there is one ther unhealthy reason for a rong equity market just now: alers are beginning to talk out rising inflation again. At is stage it is nothing very amatic—a rise to something er 6 per cent both here and the U.S., and possibly rsisting into 1985. However, far as this helps to explain y flight into real assets, it an unhealthy and unwelcome gn.

There are two reasons to orry about resurgent inflation, ie optimistic and one pessi-istic. The optimistic scenario oks to the U.S. for continued rong recovery. This not only eans a further rise in profits, it a strong dollar as Wall reet continues to attract reign funds and rising com-odity prices and turnover—hich can be dramatic, as we ive just seen, for specialised asons, in the tea market.

ctivity

This revival will increasingly fect activity in other countries ith Europe benefiting at the id of the chain from a revival Third World demand.

At every stage this process ould put pressure on costs—iport costs through the dollar id the commodity market, and it labour costs as employees gain some bargaining power moderation, the optimist gues, this is nothing at all worry about: it is simply a itural unwinding of some of e recessionary forces which duced inflation so sharply. ith rising output, labour pro-ictivity and better use of plant, ere will be a helpful boost to ofits; but as consumer bor-wing slows down, there will quite enough competitive ess to keep inflation in check. ie whole process will help the btor countries, and so we all live happily ever after.

Now such a scenario is not impossible; but it is, to put it mildly, accident-prone. Some of the more financially-biased analysts are hedging against a very different outcome.

Worried

First, the U.S. recovery slows down quite sharply—as many American forecasters believed until quite recently. This hap-pens because so much demand leaks out into a rapidly de-teriorating trade balance, as the estimates for the last quarter of 1983 already suggest.

Initially this checks the recovery in commodity prices, as happened the first time round: so the debt problem remains as bad as ever. Later in the year, however—and nobody any longer dares to sug-gest when—the markets get so worried about the U.S. current account that investors try to get their money out. This brings the dollar down, but drives dollar interest rates up, since it provokes a sharp fall in the bond market; so what debtor countries gain on the exchange rate, they lose on interest rates.

Regime

Losing hope, their increas-ingly worried governments throw off the harsh regime of the IMF and announce a mora-torium on their debts. To save th ebanknig system from col-lapse, the monetary authorities in the developed world have to cast their own restraints aside and create liquidity in whatever amount is needed: the resultant inflation spreads the losses from bad debts to money-holders everywhere.

Now this tale of disaster is considerably more improbable than the optimistic scenario: but it is also not impossible. Indeed, the experience of the 1930s suggests that the debt bomb could explode whether the recovery goes on or not.

Reflection

So far, however, we have treated the market purely as a reflection of the underlying economic realities: but markets cause events as well as reflect-ing them. A strong securities market is itself a powerful boost to demand, as asset-holders re-lax and spend their money. In this respect the equity boom will help to produce the re-covery the optimists are fore-casting. That in itself weights the scale towards the more cheerful outcome: but it is nevertheless with crossed fingers that we wish our readers a very happy 1984.

Murdoch: borrow, buy and borrow . . .

Barry Riley, Financial Editor, on the growth of a publishing and broadcasting empire

THIS WEEK Mr Rupert Murdoch finally burst upon the American con-sciousness as a major business celebrity.

For some years he has been quietly building up his U.S. publishing interests, most recently through the $90m pur-chase of the Chicago Sun-Times. But it is his daring interven-tion in the affairs of the troubled U.S. media giant Warner Communications that has captured the headlines.

Mr Murdoch's News America announced early in December that it had spent roughly $100m on a 7 per cent holding in Warner, making it the largest single shareholder. This week the potential stakes escalated rapidly as Mr Murdoch filed his intention with the U.S. Justice Department to acquire between 25 and 49.9 per cent of Warner.

He also took measures to thwart a blocking manoeuvre planned by Warner, which has announced an asset-swapping deal with another U.S. company, Chris-Craft Industries, which could through this deal and subsequent stock purchases acquire a powerful 25 per cent stake in Warner. Mr Murdoch has claimed that the proposed transaction would not be "in the best interests of Warner and its stockholders."

But the financial implications of the Murdoch proposals are staggering. Even in its present difficult circumstances, dragged down by the huge operating losses of its Atari video game and personal computer subsidi-ary, Warner is a much more valuable company than Mr Murdoch's own Australian master company, News Corpora-tion.

Buying half of Warner could easily cost something of the order of $1bn., coming on top of Mr Murdoch's other recent spending and financed on the basis of a balance sheet which by normal standards is quite highly stretched. At last June's balance-sheet date News Cor-poration's equity base of A$406m was already supporting borrowings of some A$340m.

This was almost all in the form of bank loans (though this week News Corporation has been floating a Swiss bond issue which could raise up to SwFr 200m).

Mr Murdoch's current phase of aggressive expansion is all the more remarkable in that only two years ago his empire was in quite a bad way. His purchase of the Times at the beginning of 1981 had landed him with heavy losses of some-thing like £15m a year at a time when trading conditions around the world were poor and, in particular, high interest rates were exposing the risks of his borrow-and-buy philosophy.

In the year to June 1982 pre-tax profits of News Corporation were little more than A$50m and the share price languished around A$2. A corresponding market capitalisation for News Corporation of well under £100m was scarcely an encour-aging basis for the global media ambitions of Rupert Murdoch.

This was the period of the brooding, unforgiving Murdoch graphically described by Mr Harold Evans, ousted editor of The Times, in his recent book.

Mr Murdoch got into this tight financial spot primarily because of his determination to maintain family control over his group. He is an autocratic entrepreneur of the old school, whose power ultimately rests in the 46 per cent stake in News Corporation owned by his family company Cruden Invest-ments.

He has shown himself to be keener to narrow the equity base than to expand it in the manner which is more typical of large companies. The best example was the decision in 1980 to buy out the British shareholders in News Inter-national, the UK operation which publishes the Sun and the News of the World (and subse-quently bought Times News-papers).

The British investors were bought out partly with cash and partly with special voteless News Corporation paper. In a second stage, there was a cash offer for this paper last summer on terms which aroused some controversy (a number of holders refused to accept).

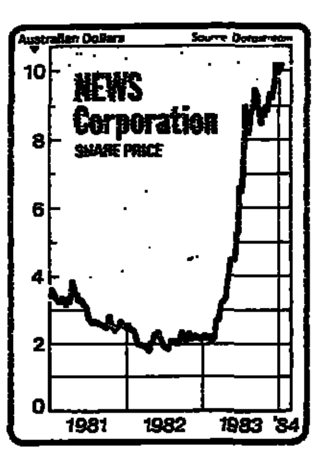
Mr Murdoch was making this buyout offer at a time when the underlying News Corporation share price was shooting up. Fuelled by a certain amount of American buying it has risen more than fourfold in the past year and is currently trading at around A$10.

To some extent this reflects the fall in interest rates—a key factor for News Corporation—and optimism stemming from the world economic recovery, but a large part of the explana-tion is to be found in two developments in the UK.

The first is an amazing profits revival at the Sun newspaper. News International's pre-tax profits jumped from £3.2m to £36.1m in 1982-83. A 2p cover price rise at the Sun came straight through to profits, which were reckoned to be £22m from this newspaper alone.

This British performance was instrumental in producing a doubling of News Corpora-tion's pre-tax profits to A$106m in the year to last June. The UK operations generated half the group's worldwide profits.

And while News Corporation's UK earnings were improving its profit and loss account, a second, less visible, influence was bolstering the balance sheet. It became known that the British news agency, Reuters, was being groomed for flotation on the stock market in the spring of 1984.



News Corporation's share price, fuelled by some American buying, has risen more than fourfold in the past year and is currently trading at around A$10

Directly (through News International) and indirectly (through Australian Associated Press), the Murdoch group owns 10.6 per cent of Reuters. On the stock market this could well be worth of the order of £100m—and already it is a juicy hidden asset of the kind which can be used to reassure doubtful bankers.

Plainly, Mr Murdoch has now been able to open up some very substantial lines of bank credit. Even with the help of the Reuters windfall, this is not easy to explain on the basis of News Corporation's balance sheet. But Mr Murdoch is an impressive entrepreneur with a long record of business success. Banks are willing to assess pro-positions on a cash flow basis when the strict balance sheet criteria might not be attractive.

In the U.S., moreover, Mr Murdoch has established close links with Allen and Company, a rather shadowy but highly regarded New York investment banking firm. One of Allen's principals, Mr Stanley Shuman, sits on the News Corporation board.

As banking propositions, media businesses like news-papers and TV stations have the advantage that they are good cash generators. So long as serious losses can be avoided, there is unlikely to be any need for heavy future investment (though, somewhat exception-ally, News International is spending £40m on its new dock-land printing plant which is nearing completion).

Moreover the units remain relatively independent, so that in extremis some could be sold off again (and in any case News Corporation has a number of non-media assets like a 50 per cent stake in Ansett Airlines.

However, in hard times the good assets have to be sold off to finance the bad ones. That makes Mr Murdoch's financial strategy a fundamentally risky one, but one he has been able to live with successfully over the years.

In advancing from Australia to the UK and then on to the U.S. he has normally adopted the strategy of buying declin-ing, lossmaking newspapers and then turning them round. When each paper has been put on a healthy footing, he has reorganised his resources and moved on to the next target.

At Times Newspapers, for instance, the losses have been substantially reduced. In fact the Sunday Times is now soundly profitable, and the losses of The Times itself could be less than £5m this year, des-pite the costs of an aggressive pricing and marketing policy.

The pattern is not invariable. In fact he originally arrived in Britain as a white knight to save the News of the World from the clutches of Mr Robert Maxwell. But his major coup was the purchase from the Mirror Group in 1969 of the ailing Sun, a publication which is now a financial lynchpin of his entire empire.

Mr Murdoch's most ambitious purchase in the U.S., the New York Post, has proved to be perhaps his toughest challenge. Locked in a bitter struggle with the New York Daily News it has consistently lost money even though the Murdoch sensationalism" formula has achieved almost a doubling of circulation since it was bought in 1976.

However, the Post's losses — believed to be of the order of $9m last year — have been tolerable in the context of pro-fits earned elsewhere by News America on publications like the Village Voice and, at the other end of the cultural scale, the Star, a brash weekly.

Encouraged by his group's improving financial strength, Mr Murdoch has moved deeper into the U.S. newspaper indus-try, buying into two-paper cities where, typically, the strong title gets stronger and the weak paper faces remorseless decline.

At the end of 1982 he picked up the loss-making Boston Herald-American for an imme-diate payment of only $1m. A sensational tabloid format and bingo competitions boosted the circulation, and there is talk of breaking even in the current year.

In addition, News Corpora-tion has just completed the pur-chase of the Chicago Sun-Times.

So Rupert Murdoch continues to build up his newspaper chain, but it is his parallel interest in another communica-tions medium, television, which has culminated in his high-profile clash with Warner Com-munications.

His TV connections go back to London Weekend Television in 1970, and News Corporation runs stations in Sydney and Melbourne. More recently, the Murdoch organisation has laid careful plans to exploit the opportunities offered by new technology for alternative forms of TV transmission.

It has a controlling interest in Satellite Television, a British comany which beams its Sky Channel entertainment pro-grammes to various countries in Europe, and is reaching its first British cable TV customers this month.

But there was an expensive setback last November for Mr Murdoch's similar plans to break into the North American satellite TV market. News America's Skyband operation was all set to launch five satel-lite channels, but pulled back when it was decided that the cost of receiving equipment would be too high for individual subscribers.

Skyband could try again eventually when more powerful satellites become available. But Mr Murdoch's immediate plans for the U.S. have been shelved —which is why New York analysts conclude that his move into Warner Communications stock is part of an alternative North American TV strategy.

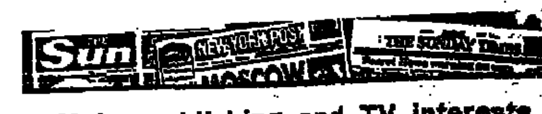
Not that Mr Murdoch has given any explanation at all of his recent initiative. To Wall Street's analysts he is very much of a tight-lipped mystery man. But they note that Warner has a half-share in the Warner Amex cable TV network, which is lossmaking but could have considerable potential.

And of course Warner also has a filmed entertainment operation, together with a huge film library, which reported operating earnings of almost $100m in the nine months to last September.

Rupert Murdoch is not in a big enough league to buy the whole of Warner Communica-tions. And it is not his normal style to dabble in search of a short-term profit, though his wheeling and dealing abilities have been put to good use in the past.

The speculation on Wall Street, therefore, is that he is trying to prise the assets he wants out of Warner, by putting further pressure on a manage-ment which is already reeling under the impact of losses at Atari running at an annual rate of $700m.

But it could be the dour Australian's biggest challenge in a long and colourful career as an international media boss.



Major publishing and TV interests include:

NEWSPAPERS Australia	Location	Acquired or founded	Circula-tion
The Australian	National	1964†	110,843
Daily Mirror	Sydney	1960	324,168
The Daily Telegraph	Sydney	1972	290,831
The Sunday Telegraph	Sydney	1972	640,718
Sunday Sun	Brisbane	1960	364,890
The Sunday Times	Perth	1955	254,771
Britain			
The Times	National	1981	336,189
The Sunday Times	National	1981	1,288,448
The Sun	National	1969	4,170,909
News of the World	National	1969	4,074,424
U.S.			
New York Post	New York	1976	961,044
The Boston Herald	Boston	1982	309,687
Chicago Sun-Times	Chicago	1983	n/a
MAGAZINES			
Star	U.S.	1974†	3,834,792
New York	New York	1977	422,819
The Village Voice	New York	1977	160,929
TELEVISION			
Channel TEN-10	Sydney	1979	n/a
Channel ATV-10	Melbourne	1979	n/a
News Group Productions	New York	1981†	n/a
Skyband	New York	1983	n/a
Satellite Television PLC	London	1983	n/a

† Founded by News Corporation. Source: News Corporation

etters to the Editor

egislation

rom Mr D Tallon

Sir,—Is it a forlorn hope, at is season, to hope that Parlia-ent will resolve to throw out gislation which constantly fers back to earlier law" This rnicious practice, which is rticularly prevalent in fiscal gislation which affects every izen, seems to be deliberately signed to confuse the legis-tors as well as taxpayers. Its fect, and possibly its purpose, to give more and more iployment to the tax compli-ce industry both in and out the Revenue

For all I know these stric-res may equally apply to her areas of the law than tax. owever, in that area, certainly, e efforts of the originators of ch measures frequently seem have defeated the purpose of e Treasury ministers. How any members, for example, alised that they slipped a oviso into the Business pansion Scheme clauses to e effect that no tax relief ould be given if the purpose of aking the investment was the oidance of tax." It does not em to have occurred to the inisters proposing the scheme at this was precisely the centive they intended.

The main body of tax law is ng overdue for consolidation id the work of those charged ith the task must be horrific in s complexity. Their exertions, the very least, would be made uch easier if the annual nendments began by repealing ie old law and restating it with ie amendments incorporated. his would not add one jot to ie body of the law; it might en cut out a few words. It ould certainly be a small step wards greater comprehension.

avid S. Tallon,
Serjeant's Inn, EC4.

apan

rom Mr J. Bourlet.

Sir,—Said with the condescen-on of the teacher's report—with superiority which other-wise might be called arrogance—that is the tone of your edi-torial (December 28) on Japan. Mr Nakasone has done "better than might have been expected." Japan is moving towards accept-ing "wider political responsi-bilities." Japan may still look like an "antheap," but must do more than "flood the world with electrical equipment" (what about UK arms sales, or CAP dumping—and what is wrong with international pro-duct specialisation anyway?) and is considering more respon-sibility for the defence of the "Empire" (was this written in 1939?). "Cautiously, one may draw a parallel with West Ger-many" Very cautiously, one trusts.

Surely there is much virtue and much to be learned from current Japanese political poli-cies. Low defence expenditure would not be without interest to George Orwell and Richard Cobden's great concept that freedom in trade can eradicate world tensions needs a second thought. Japanese people are faster than any other to shun what they see as improper behaviour (hence the absent crime rate) and so we might be a little inquisitive rather than just self-righteous over Tanaka's continuing popularity.

James Bourlet,
26, West Square, SE11.

Skills

From Dr M. Cross

Sir,—When employment, skills and technical changes are con-sidered in a single study, e.g. "Impact of advanced informa-tion systems on job content and boundaries" by NEDO and Coopers and Lybrand Asso-ciates, confusion usually quickly follows. Perhaps I may explain.

The common focus upon skills with the isolation of the task en-vironment can, and often does lead to statements of "lower" and "higher" skills resulting from the introduction of a new piece of equipment. Skills, by themselves in isolation of the environment in which they are applied have little or no value. Skills only derive a value from their direct application, and comparison with other job holders in the same, or similar task environments. There is the temptation to move arbitrarily from a job holder, to the per-ceived needs of a job, and to the real needs of a job. Often, again, the job itself might re-quire "higher" skills, but for the job holder it might be de-skilling. This in part reflects the unhappy relationship between education training and work in this country. Too little effort has been devoted to delving in-to the underlying processes in-volved at the expense of using limited resources to scratch at the surface of an area which is sadly been the subject of only cursory analyses.

Hence study is another useful description but does not help us in arriving at a real explanation and understanding of the rela-tionship between employment, skills and technical change. As regards the impact of advanced information systems on job content and boundaries we need to return to the McKinsey report on computer utilisation (pub-lished in 1968) if we are to be-gin to understand why tasks are reallocated, and how skill de-mands change.

(Dr) Michael Cross,
182a Kew Road,
Richmond, Surrey.

Derbyshire

From the Leader of the Opposition, Derbyshire County Council.

Sir. — Your correspondent Colin White (December 31), headmaster, William Allitt School, Swadlincote, is well aware that in 1981 the pupil-teacher ratio in Derbyshire primary schools was among the best in the country. That was because the Conservative con-trolled county council had taken positive steps to raise it from among the worst where Labour had left it in 1977. Were we still in control the improvement would have been spread to secondary schools. Instead, the present Labour administration has concentrated resources in increasing non-teaching staff in schools, to the detriment of classroom teaching.

The Government, as Phillip Oppenheim so clearly pointed out (December 17), is deter-mined to bring a measure of financial control into local government and this is in-stanced in the case of Derby-shire's works department to which Colin White refers. So far from declining, the depart-ment is now vigorously tender-ing for work in competition with the private sector and even taking all its overheads into account (previously unheard of in local government) is now showing a profit of 5 per cent on its undertaking.

If Colin White is unaware of Derbyshire's present extrava-gant policies, I suggest he con-siders the following: £1.5m spent on taking a waste disposal site into the ownership of the county council, when it was operating quite satisfactorily in the private sector. A figure of £100,000 a year, including four extra posts to run a "county newspaper." Funding so-called "peace groups" to the tune of £10,000 a year. An advertising campaign costing £10,000 to improve the take up of school meals which was already nearly the highest in England and Wales.

The 40 per cent rate rise in two years in this county has done nothing for education.

As the head says, the problem of how best to improve the education service remains. It will not be solved by throwing money at it nor by blaming the Government.

(Councillor) Walter S. Marshall,
County Offices,
Matlock,
Derbyshire.

Sizewell

From Mr P. Watts

Sir,—On December 28 you reported a Cambridge Study which attempted to show that coal fired plant was of greater benefit to the economy than Size-well B. It measured benefit by reference to the effects on national income, employment and electricity prices whereas the Central Electricity Generat-ing Board, in conformity with its statutory functions, has concentrated on the price effects.

An earlier but substantially, identical version of the study was presented to the Sizewell inquiry on behalf of the National Union of Mineworkers, and Dr Gudgin, one of the authors, there explained that the conclusions depended critic-ally on the assumption that coal released by Sizewell B could not be exported. As he himself said "If Sizewell B were to displace coal which was then exported it would tend to increase national income and the economic case for Sizewell B would therefore in all proba-bility be quite a good one."

Clearly the argument here depends on the international competitiveness of National Coal Board coal in the lifetime of Sizewell B. Dr Gudgin offered no evidence on this but both the CEGB and the NCB have given evidence to the effect that NCB coal prices should be competitive with im-ported coal practically through-out the life of Sizewell B, if approved. Hence on this basis and if one accepts the economic stance of the Cambridge Study, Sizewell B is "quite a good" proposition.

P. E. Watts
(An Economic Adviser),
Secretary's Department,
CEGB,
Sudbury House,
15, Newgate Street, EC1.

Trusteeship

From the Taxes Manager, The Public Trustee

Sir,—I would like to amplify your "Finance and the Family" reply of December 31 relating to the fees of the Public Trustee.

We are always willing to assist beneficiaries or their pro-fessional advisers with the question of tax treatment of fees. Given that an irrevocable trust subsists, a fee charged for collecting income and pay-ing it away will be a good deduction from that income for all tax purposes. It can restrict the amount of basic rate tax available for repayment, but conversely reduces income assessable to higher rate and surcharge.

The Public Trustee's annual administration fee is charged on the trust capital, but the Public Trustee does have power to make a formal direction that the fee is to be paid from income with identical taxation consequences.

It must of course be appre-ciated that a beneficiary re-questing such a direction will lose from his income the amount of the fee rather than the income yield of the capital ordinarily taken to pay the fee.

B. A. Green.
Stewart House,
Kingsway, WC2.

Advertising

From the Chairman, British Legal Association

Sir,—Mr Philip J. Circus of the Institute of Practitioners in Advertising (December 20) does not seem to comprehend that there is a very real dif-ference between claiming ex-pertise in a particular field of law and having that expertise. I have little doubt that if such puffing claims were permitted, then this would do more harm to the public than good. It is on that basis, I think, that the majority of solicitors would reject advertising (by solicitors personally) as unethical. Mr Circus should confine himself to commerce and industry and not try to extend methods of self-promotion to a learned profession.

Stanley Best.
116, London Road,
Southborough,
Tunbridge Wells.

Why the cuppa is to cost more

A television advertisement for tea bags

STAND BY for a sharp rise in the price of tea—and with it an intensification of the struggle between instant coffee and the traditional cuppa.

This week has seen a spectacular rise in the price of teas at the big London auctions—and that will eventually mean higher prices on the supermarket shelves, though just how much higher is not yet clear.

The immediate cause of the increase is an announcement on Christmas Day by India—which accounts for 23 per cent of the international tea trade—to suspend the export of CTC grade tea so as to hold down prices within the country.

The decision lifted the price of some quality teas by as much as 70p a kilo at the London auctions, boosting the average all-tea price to a record 295.31p a kilo this week.

However, long before the Indian move, tea auction prices had been moving upwards—essentially because international consumption has been outrunning production. Prices at the London auctions have more than doubled since last April, when the average stood at a mere 135p a kilo.

UK retail tea prices were raised twice last year—by 9.5 per cent in April and 10.5 per cent last month. Brooke Bond, the market leader with some 30 per cent of sales, warned in December that another rise was inevitable soon unless there was a substantial drop in auction prices—and that was before India's move.

The ban on CTC tea is particularly bad news for *Britain*, since this type of tea is used in some 80 per *cent of UK blends*. CTC (cut, tear and curl) describes the way the leaf is processed to provide the "quick brew" qualities and darker, thicker tea favoured by drinkers in Britain, Australasia and the Middle East.

Thompson Lloyd, the main broker for North India tea sales at the London auctions, estimates that the Indian move could cut supplies available to *Britain* by between 20m and 28m kilos over the next few *months*—up to 15 *per cent* of the nation's annual consumption of around 180m kilos.

Britain is still the world's single biggest importer of tea, although demand has been rising fast in the Middle East countries, especially those with a large, expatriate population.

However, the volume of tea consumed in the UK has been falling—from nearly 230m kilos a year in 1970 to 180m kilos last year. That does not mean that the British are drinking fewer cuppas, insists the Tea Council, the promotional organisation formed by *producing countries* and domestic tea blenders. It attributes the fall to the growth in sales of tea bags, which now account for some two-thirds of the total retail market, worth around £500m.

Nevertheless, there is no doubt that tea is coming under increasing pressure from "instant" coffee. The Tea Council claims that tea is still by far the most widely con*sumed beverage in Britain*, apart from water.

But coffee's share has been steadily increasing. The *National Drinks Survey showed* that in 1982 coffee accounted for 28.4 per cent of beverage consumption, against 65.8 per cent for tea. In 1970 coffee's share was just 19.8 per cent. Nestle claims that the ratio of tea to coffee drinkers dipped last year to under two to one for the first time. In 1966, the ratio was six to one. The Tea Council denies this, saying that 2.5 cups of tea are drunk to every one cup of "instant" coffee.

But there is little doubt the gap could shrink even further if there are substantial rises in the price of tea.

So, while producers may rejoice at the current surge in auction prices, many in the tea trade fear the industry may suffer the kind of consumer backlash it endured after the last price boom, in 1977.

Behind the present upsurge lies the basic laws of supply and demand. According to figures compiled by the International Tea Committee, world tea supplies are increasing by about 2 *per cent a year, while* consumption has been rising by 2.5 to 3 per cent. It estimates that there was an annual shortfall of 30m kilos in 1981 and 1982, resulting in a 60m kilos decline in stocks built up during the years of surplus from 1977-80. This decline in stocks finally *began to make an* impact on prices in 1983.

World production of tea has continued to rise steadily, to a grand total of nearly 1.9bn kilos, although green tea output in China accounts for a sizeable part of the increase.

But the amount of tea avail*able for export has declined*, primarily because India, with its growing population and greater prosperity, is consuming a much larger proportion of its production domestically.

The current trends suggest that the tea shortage could last for some time—although past *experience has shown that the* situation can change very rapidly.

The normal pattern is for a surge in demand while buyers *(including housewives) build* up stocks in anticipation of higher prices. But once this panic buying ends, consumption plummets—just when increased output is coming through. A repeat of this boom and bust pattern seems likely.

And in the process, tea could lose ground against coffee for the title of Britain's most favoured cuppa.

INDIA: THE DELICATE POLITICS OF A SWEET, MURKY SOUP

INDIA'S TEA industry, and the tea-drinking habit, are among the many legacies of *British rule. They* have a political importance which no Government can ignore. That helps explain why Mrs Indira Gandhi's administration has stepped in with its export ban in an attempt to ensure adequate supplies and stable prices.

Since the bush was found growing wild in 1820, in the eastern state of Assam, the tea habit has spread to the point where almost all the country's 750m population—including the majority below the poverty line—drink the beverage every day. They consume more than 400m kilograms a year, a figure which is rising faster than production.

In top government offices the *tea is served by exotically* uniformed bearers with high-plumed turbans, and in the urban slums it is brewed over rough fires and drunk from coarse clay mugs.

To a British palate, however it is served, it is usually a sweet murky soup: the normal method of brewing is to mix tea, water, milk and sugar before boiling.

The price of tea—and other basic commodities—is a particularly important issue at present, for inflation in India is edging over the politically sensitive threshold of 10 per cent—just as Mrs Gandhi is preparing for the general election *she must call some* time in the next 12 months.

Prices of some teas in India have almost doubled in the past year because of the international supply-demand situation. The average price has risen by over 70 per cent, from about Rs 18 (£1.20) to Rs 32 a kilo in the past year and most of the increase has taken place in the last six months.

That worried the Government politically and caused considerable embarrassment among the major tea companies, which include international names such as Brooke Bond and Liptons. *The companies struck three*-year wage deals with their workers in Northern India in August. They did not want rocketing prices and profits to spur demands for fresh negotiations that might lead to higher wage costs just as the price bubble burst and profits fell away.

This commercial outlook, plus a measure of social responsibility, led the companies into close liaison with the Government. The local prices of some teas were voluntarily reduced well below market levels and the export ban was not opposed.

For the past 30 years India has exported an average of 200m kilos of tea a year. In 1982 it shipped 189m kilos out of 565m kilos total production. Before the December ban it had *exported* an estimated 205m kilos of the 1983 crop, out of 585m kilos production.

About 100m kilos of CTC tea are usually consumed in India between January and the start of the new crop year in April, and the Government was worried that at least 20m kilos of this might have gone abroad — with consequent rapid domestic price rises—*if no action had been taken*.

"What we have done, therefore, is to export as much as we usually do and kept a sufficient balance for what we need till the next crop comes in April," says Mr Jagdish Khattar, chairman of the Government's tea board.

The rocketing international prices follow seven years without increases in real terms and the Government hopes the resulting profits will be used for urgently needed capital investment, to start the industry on its planned doubling of output over 15 years.

In the meantime, the administration is satisfied with the initial results of its export ban. While world prices have risen sharply, domestic tea prices have dropped from the Rs 32 level to about Rs 24-Rs 26. If they rise again a system of export *duties, last imposed during* shortages in 1977, is one of various policy initiatives being considered to protect the Indian mug of tea as Mrs Gandhi prepares for her election.

John Elliott

New Delhi

The fight for a place in the next video revolution

By Elaine Williams

KODAK, under intense pressure from Japan in the traditional film business which it has dominated for nearly a century, this week fired its opening shot in a new war of electronic moving images.

The company has launched *itself into a sector of the video* market so new that products will not be in the shops until the summer at the earliest. The sector — 8 mm video — is destined to be the next major market in home video because all the world's 122 makers of video equipment are agreed that *8 mm will be the standard for* the coming generation of much smaller video recorders and tapes.

Kodak hopes that by putting down its marker ahead of most of the competition it can establish a commanding position and make up for the fact that it missed out *almost completely in* the first stage of the video revolution.

But it promises to be a very fierce battle. The American company has had to swallow its pride and use equipment made for it in Japan. And the existing video manufacturers are known to have elaborate plans which they seem content to keep secret until next year.

Kodak has already been badly battered in some of the traditional photographic film and paper markets. Aggressive Japanese companies — led by Fuji — have pared Kodak's profits in the last decade from 15.7 per cent of sales to 10.7 per cent in 1982. Earnings dropped 42 per cent (to $447.9m) in the first nine months of last year.

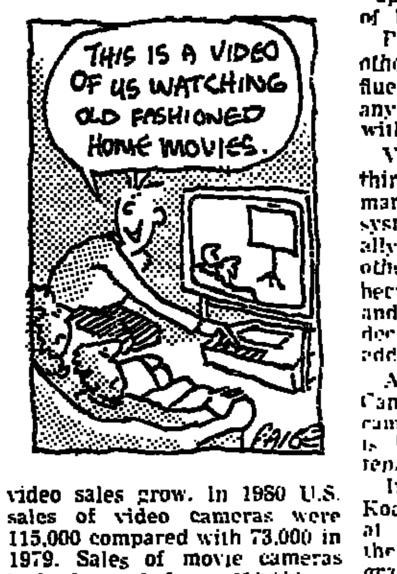
Fuji, and several other photographic companies, spotted the potential of video early on. But Kodak is among the last to enter a market which in the U.S. alone is already worth more than $3bn in total sales of tapes and equipment.

Kodak's new Kodavision machine—in effect an electronic camera has been developed for the company by Matsushita in Japan. The machine is a combined camera/recorder/playback machine known in the business as a camcorder and packed into a compact 5 lb device and costing £1,118 ($1,599).

Its light weight and small size are made possible by the 8 mm cassette which is slightly larger than an audio cassette and the tiny camera tube.

Video has the same appeal for moving pictures as instant photography does for still ones. The picture can be played back immediately *through a video* cassette recorder and the image shown on a television.

According to U.S. photo*graphic industry statistics*, sales of movie cameras are falling as



video sales grow. In 1980 U.S. sales of video cameras were 115,000 compared with 73,000 in 1979. Sales of movie cameras had slumped from 609,000 in 1977 to 180,000 in 1981.

But the market is much bigger than just home movie enthusiasts. The *new 8 mm* format, now formally agreed by 122 manufacturers as the future world standard for video cassette recorders and tapes, may originally have been developed for the amateur movie market, but there is no doubt that it will eventually *replace conventional home*-based VCRs now using half inch tape on the Beta, VHS and V2000 systems.

At present 8mm video camcorders can record only one hour on the PAL broadcast system used in Britain, most of Europe and Japan or 90 minutes *on the American NTSC tele*vision standard. By contrast half-inch tape systems can now record for up to eight hours.

This, and the present size of the half-inch market, have made existing VHS and Beta manufacturers reluctant to force an early introduction of the 8mm machines. Kodak is gambling that it will come out of the resulting scramble for the 8mm market in a very strong position and already prototype tapes *that can play for two-three* hours are known to have been developed.

Matsushita and Sony have said that they are unlikely to introduce a rival system before *next year at the earliest*.

Ironically it was Philips, alone of the big electronics companies, which showed its hand in 8mm last October. It said they would launch its system "approximately in the middle of 1984."

Philips' decision to pre-empt *other manufacturers* may be influenced by its failure to gain any significant market share with its V2000 system.

V2000 was the company's third attempt at the half inch market. Its two previous systems on sale (both technically incompatible with each *other and V2000*) were dropped because of technical problems and low sales. Recently Philips decided to adopt VHS in addition to its own format.

Another electronics company, Canon, which makes still cameras and office equipment, is likely to be an early con*tender in 8mm video*.

Industry analysts say that Kodak's strategy to aim initially at the electronic equivalent of the old 8mm and Super 8 photographic market is a sensible one.

The investment for video is comparatively high while it is possible to buy a film camera and projector for about £100. But video tapes can be reused while film incurs processing costs each time.

Kodak has had the technology to produce video tapes and electronic camera/recorders for some time. This is partly due to inhouse developments — the company spends $710m a year on research — and partly to the acquisition of high technology companies.

At one time Spin Physics, which became totally Kodak-owned last year, was considered as a possible site where video tapes, both 8mm and half inch *could be manufactured*. The company, however, decided to go to TDK, the largest video tape maker, in order to "enter the market quickly at minimum risk" and at relatively low capital cost.

The first part of Kodak's long term strategy is thus in place. It remains to be seen if, by the end of the decade, Kodak will have made its mark in an industry where the old distinction between film and video*tape will have all but* disappeared.

Weekend Brief

Ireland's black economy in illegal gambling

THE CHELTENHAM Gold Cup race meeting in March is one of the highlights of the Irish social calendar. Thousands of punters pour across the Irish Sea and wager an estimated £1m.

Even allowing for the unlikely event that they have all obeyed Irish exchange controls and taken no more than I£100 out of the country, *they* are all technically committing an offence.

A resident of the Republic *is not supposed* to place a bet outside the state—to protect the Irish Exchequer which takes 20 per cent duty on every bet laid. Meetings like Cheltenham pale into *insignificance* compared with the amounts which Irish punters place over the telephone to bookmakers in Northern Ireland and Great Britain.

British betting duty is half the rate applying in the Republic, so there is a flourishing black economy in *illegal* bookmaking and it is all proving too much for the legitimate bookies.

Members of the Irish Bookmakers Association are withholding the tax, which brings in I£19m a year to the Irish Government. It is a small sum *but every punt counts* for a government which has to borrow I£1.7bn a year and the bookies are unlikely to receive much sympathy from Finance Minister Alan Dukes.

The bookies are exaggerating, according to the Irish tax authorities. They admit they do not known how much illegal betting goes on but claim it is nothing like the I£400m to I£600m a year claimed by the bookmakers.

Any tour of Irish pubs on a Saturday will confirm that the practice does take place. East coast areas, including Dublin, receive all the British TV channels plus the two Irish ones, so there is plenty of televised racing to whet the customer's appetite and provide business for the ad hoc bookie at the end of the counter.

Some illegal operators are practically full-time bookies. Mr Brian Fogarty, secretary of the Bookmakers Association, says that one man has been operating illegally in Dublin since 1977 but it has proved impossible to convict him.

It is no consolation to Mr Fogarty that, of the 100 or so prosecutions each year, 70 per cent involved licensed bookies who were caught evading duty.

Mr Fogarty and his members know that Budget Day is only three weeks away and they have timed their protest for maximum impact. Beyond that, the betting story is only one of several which have brought home to the Irish taxman the limitations of sharing a frontier with the UK; a country with which the southern Irish are almost as familiar as their own.

Towns across *the border in* Northern Ireland, such as Newry, witnessed extraordinary pre-Christmas scenes with up to 200 coach loads of shoppers arriving in one day, quite apart from private cars.

Sales of Irish whiskey were down 18 per cent in the *Republic last year and* up 33 per cent in Northern Ireland. One doesn't need a bookie to give *the* odds on most of it having come back across the border, *to the benefit of* Mr Lawson rather than Mr Dukes.

"I bought VHF radio, satellite navigation radar, cocktail bar, new life jackets—and the damned boat sank like a stone to the bottom of the marina"

By the time the turnstiles at the Earls Court exhibition hall, west London, stop clicking on January 15 about ½m people *are* expected to have visited the London International Boat Show, **writes Roy Hodson.**

The boat industry is only now starting to shake free from the most severe recession in its history. The last good year was 1979 when sales were not far short of £400m, of which actual boats accounted for £135m. Since then sales have fallen well below £300m a year and many companies have failed.

First estimates for 1983 suggest total sales were still below £300m with boats accounting for under £100m. The one bright spot in the 1983 figures is that exports rose sharply—it is estimated by 28 per cent—helped by the strong dollar.

Anti-blood sports lobby stirs up the anglers

Anglers had always hoped that their sport would be safe from the anti-blood sports lobby, led by the Hunt Saboteurs Association, simply because of its overwhelming support. More than 3m people from every walk of life are devoted to it. The overwhelming number of them are coarse fishermen who devote endless skill and patience to catching, weighing and then returning their prey to the rivers and ponds.

Coarse fishing is highly organised with clubs and federations covering the country, competing for individual and team prizes culminating in international contests. There is big money not only in the prizes. Betting on the results is a common feature and there are *sweepstakes*. Champion fishermen often set up tackle shops because the successful anglers' equipment is lavish and expensive.

Many clubs buy or rent stretches of river or lakes and there is no doubt that local economies benefit from the trade that competitive *fishing* brings to the pubs and other services in favoured areas. A farm worker in the fens, where there is some excellent fishing, told me he had bought his first car with the proceeds of sales of maggots and other bait. The only *serious* environmental criticism of the sport is the alleged poisoning of swans and other wildlife by eating the vast number of lead weights lost by the anglers *in the* year.

Until now the Hunt Saboteurs' main target has been the pursuit of foxes and of hares with dogs. Abolition of hare coursing has been supported in the Labour Party which has considered banning this form of sport. But by turning their attention to angling the Saboteurs have probably encouraged sport fishermen to make common cause with hunting and shooting interests, a grouping which no political party in this country could ignore.

The Hunt Saboteurs' former tactics were to isolate foxhunters and hare courses. This was quite easy as coursers are in a minority and fox hunters have an upper class image, a target popular among many voters. Shooters have frequently warned that they would be next on the list, and it is arguable that shooting, and the keepring it *entails*, causes far more cruelty to wild life by the suppression of what are called vermin, than do fox hunting and hare coursing.

If anything destroys the balance of our natural fauna it is the preservation for slaughter of the pheasant, an alien *bird*, by the slaughter of its preadators or competitors.

Trout and salmon are killed to be eaten and some trout—like pheasants—are specially reared to be killed. But unless the angler's line breaks and the fish escapes with the hook in its mouth, its end is swift.

Coarse fishing tactics—which involve returning fish to the water after weighing—is also condemned, even if barbless *hooks are* used. This condemnation will send the angling clubs governing the sport into a rage. I would not like to be the Saboteur who tried to disrupt *a competition* of several hundred anglers, by throwing stones into the stream, smothering the swim with groundbait, or putting ultra sonic devices in the rivers.

The Saboteurs' move has not pleased all their members. Both the secretary and the member*ship secretary have resigned*. They believed that by turning its attention to angling the association has united the opposition to the anti-blood sports lobby.

The $1bn windfall for the Getty Museum

The J. Paul Getty Museum, perched on a cliff above the ocean at Malibu, California, was already one of the richest museums in the world before it stepped into the centre of the battle for Getty Oil, its wealthy benefactor, yesterday. The move should assure that it more than quadruples its income to over $100m a year.

Such august institutions as the New York Met or the Smithsonian in Washington have budgets a fraction of the size of "the Getty." The legendary founder of Getty Oil left the museum $700m when he died in 1976 and this has subsequently grown so that in addition to the $1bn the museum will reap from the sale of its Getty shares it has another $1bn invested in the market.

The man masterminding these investments, and president of the J. Paul Getty Museum, is the 55-year-old Harold Williams. Williams has played a powerful behind-the-scenes role as a power broker in this week's fight for control of Getty Oil and he is a rarity in the museum world as being not only a cognescenti of the arts but a successful businessman as well. As if this was not enough he has also been dean of one of America's top business schools and chairman of the Securities and Exchange Commission.

When Williams took over in 1981 as the first ever president of the J. Paul Getty Museum, its prime asset was a reproduction Roman villa 25 miles outside Los Angeles which was housing an assortment of expensive art treasures. Since then Williams, *whose personal interests centre* on collecting ancient and contemporary orientals, has undertaken a major expansion. The late J. Paul Getty gave the managers of his museum considerable freedom and Williams has taken full advantage, setting about developing a huge fine *arts complex in Los Angeles* which he believes will be unique in the art world.

In addition to the Malibu *museum which already attracts* 300,000 visitors a year, Williams has announced plans for another museum, a centre for advanced study of the history of the art and humanities, and a conservation institute at a new $100m site in West Los Angeles.

Williams is anxious to dispel the idea that the Getty money goes solely to the Malibu museum. His greatest interest has been the expansion of the trust's *other activities*.

He was attracted to the job because it gave him "the opportunity to create an institution unique in the world of the study of art" while showing some knowledge of the art world he has strengthened his team by recruiting some of the top art world *professionals*.

The closely knit museum fraternity in the U.S. has watched the early moves of "the Getty" with more than usual concern. Fellow museum directors had hoped that the Getty would help their cause by making them grants. This has not occurred but most observers believe the Getty, despite its huge wealth, has behaved responsibly. It has been co*operating with other museums* in joint purchases and has not unduly upset the art market by aggressively bidding for new purchases.

Contributors

Brendan Keenan
John Cherrington
William Hall

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
			6.00-7.50	Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice. 1 month's penalty
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice. 8.50 2 months notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	*7.50*	*8.50*	*8.50*	*6-month deposits. Monthly income*
Century (Edinburgh)	7.75	—	8.75	2/3 years. Details supplied
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth's not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.00 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	9.00	8.25 5-day Notice Account
Hemel Hempstead	7.25	8.50	8.75	3 year, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	*7.50*	*8.75*	*9.10*	*28 days plus loss of interest, 8.25 3 months*
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with montly int. 8.75 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.25	8.25	7 days' notice, £500 minimum
Mornington	8.50	8.50	—	
National Counties	7.25	8.55	9.10	28 days' notice £500 minimum
National and Provincial	7.25	8.25	8.50	1 month's notice plus monthly income
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs, £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 *minimum withdwl. with 28 days' loss or notice*
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
New Cross	*8.25*	—	*8.25-8.75*	*on share accounts, depending on minimum* balance over 6 months
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl no pen.
			8.75	Premium Moneyspinner on demand, 28 days' *loss of interest on amount wdn.*
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 9.00 3 months' notice (no penalty)
Portman	7.25	8.75	8.75	*Two month's notice*, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	*£1,000-£4,999 Sovereign, no penalties, no notice*
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	*7.50*	*9.00*	*8.75*	*1 month's notice/immed. with 28 days' penalty*
Thrift	8.15	—	10.15	5 years' term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income dwl. facility
			8.50	28 days' notice or imm. withdrwl. with penalty
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' *notice without penalty*

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Watson & Philip off 24% as competition intensifies

STILL FACED with severe competition, Watson & Philip, the [illegible] food distributor, [illegible] a 24 per cent fall in [illegible] profits from [illegible] to £521,000. However, the directors state that various [illegible] undertaken during the [illegible] should result in additional profit contributions from more [illegible] operating sectors.

At the interim stage profits were down from a restated [illegible] on turnover [illegible].

Turnover for the 12 months to October [illegible] declined to [illegible] from [illegible] trading profit of [illegible] was earned, compared [illegible]. This profit [illegible] dividends from unlisted [illegible] £155,000 [illegible] rental income [illegible]. The pre-tax [illegible] after interest [illegible] of [illegible].

[illegible] increase in the [illegible] dividend, the final is [illegible] for [illegible] against [illegible] share are given [illegible].

[illegible] Christmas [illegible] at the [illegible] cash and carry [illegible] hit by the [illegible] and were in [illegible] the final [illegible] year sales in this sector lower at £40.32m (£41.26m), profits were 41.5 per cent down at £240,000 (£410,000).

Plans to combine the Maryhill and Rutherglen branches, originally postponed until spring 1984, have now been cancelled. The Rutherglen business will now be moved to the other Glasgow cash and carries. As for Maryhill, the position in the Glasgow urban area will be watched very closely to see when conditions change sufficiently to warrant a reconsideration of moving.

Elsewhere in this sector, the upgrading work at the Kirkcaldy branch should be completed in the spring, but escalating cost estimates have led to the withdrawal from the proposed site in Aberdeen. Costs amounting to £49,000 connected with the Glasgow and Aberdeen changes have been charged to extraordinary items.

Profits from the delivered grocery sector slumped by 67 per cent to £55,000 (£168,000). The acquisition of George Mellis and Son, in September is now contributing additional profit, but it will be some months yet before the full benefits are apparent.

The transfer of Mellis to the warehouses in Turriff and Dundee is expected to be completed by the midde of this month. The Spar shops owned and operated by Mellis made a small contribution to group results between September 5 and October 28, and a review of the long-term prospects of this business is now under way.

A modest improvement in sales and margins was experienced in catering during the second half. For the year sales were slightly down at £17.96m (£18.26m), but profits rose from £141,000 to £264,000. Manufacturing margins came under pressure, but some easing was noted towards the end of the year. A loss of £27,000 (profit £11,000) was incurred in this operation on lower sales of £477,000 (£557,000).

Profits on completion of ongoing contracts helped the import division in the first half, but very difficult trading conditions were encountered in the second six months. Although second half profits were cut to £9,000 (£46,000) the total for the year rose to £96,000 (£71,000).

The principal source of improvement over last year has been the group's income from its investment in the companies associated with the Makro cash and carry operation.

Group net profits for the year were £604,000 (£654,000) after tax of £217,000 (£427,000). Extraordinary items took £52,000 (£49,000) to give an attributable surplus of £552,000 (£605,000). Dividends will absorb £363,000 (£335,000), leaving a retained surplus of £189,000 (£270,000).

Good year for new business at Royal Life

Royal Life, the life company within the Royal Insurance Group, achieved record new business results last year. New annual premiums on its worldwide busines more than doubled from £26.6m to £57.7m, while single premiums improved by three-quarters from £48.3m to £84.4m.

Life business last year was strongly influenced by the changeover to the new system of crediting tax relief on mortgage interest known as MIRAS. New annual premiums on MIRAS-related business rose over four times to over £30m, resulting in the new annual premiums on UK business advancing 130 per cent from £23.5m to £54.2m.

Royal's drive for linked business, started in 1982, resulted in new annual premiums on this type of business increasing almost threefold to £4.1m, and a doubling of single premiums to £24.7m.

This latter growth helped Royal's UK single premium business last year to climb 76 per cent from £47.2m to £83.2m. The other feature in this improvement was a 50 per cent jump in annuity and school fee business to over £42m.

New life business in the Sun Alliance Insurance Group benefitted from the MIRAS changeover. New annual premiums on mortgage related business rose fourfold to £25.1m, of which £16.6m came from new mortgages and the remainder from switches in the method of repayment. This resulted in total new annual premiums more than doubling from £21.2m to £47.9m.

Single premiums last year improved by two thirds from £29.5m to £48.6m.

The group, unlike many life companies, reported a significant rise in group pension premiums last year as well as rises in self-employed and executive pensions. Annual premiums on the latter business climbed nearly 60 per cent to £3.8m and single premiums by nearly 30 per cent to £2.7m.

Yorkshire-General Life Assurance Company, the life specialists within the General Accident Group, reported new annual premiums rising over 90 per cent from £14.2m to £27.4m, while single premiums nearly tripled from £6.8m to £17.3m.

Life business was particularly buoyant with new annual premiums more than doubling from £8.8m to £21.3m, thanks to MIRAS. Premiums on mortgage related business amounted to £11.9m, ten times higher than in 1982, of which £6.5m related to new mortgages, the remainder coming from switches.

New annual premiums from FS Assurance climbed nearly 70 per cent to £2.79m, with premiums on mortgage-linked business more than doubling. Self-employed and individual executive pension sales improved significantly, but this was offset by a decline in group pensions business. Single premiums in 1983 amounted to £3.14m.

In contrast to most other traditional life companies, the new business improvement last year from Phoenix Assurance Group owed little to the MIRAS changeover. New annual premiums on its worldwide business rose 14 per cent from £28m to £32m, while single premiums climbed nearly 24 per cent from £42m to £52m. New sums assured reached £4.1bn, from £3.7bn.

New annual premiums on UK life business only moved ahead marginally from £7.2m to £75m. The Phoenix's own linked life business rose three times, but from a very low base in 1982. New annual premiums on group policies held up well at £8.2m against £8.1m in 1982.

The group's linked life subsidiary, Property Growth Assurance improved with new annual premiums climbing nearly 14 per cent from £8m to £9.1m.

Mark Meredith, Scottish correspondent, looks at hotels bid battle

Bell's soundings upset Gleneagles

THE FIVE-STAR plans of Scotland's private Gleneagles Hotels group have suddenly been thrown into turmoil by the unwelcome £20m takeover bid from Arthur Bell & Sons, the Scotch whisky distiller.

Although Gleneagles has turned two of the three struggling Scottish hotels it bought from British Rail into money winners, the ambitious next phase has been challenged by Bell's.

Gleneagles' intention to expand into London with a leasehold on the Piccadilly Hotel has come under scrutiny along with the way it has been advised to finance the development, with a £9.7m rights issue.

This Scottish takeover battle of Perthshire-based Bell's versus Gleneagles in Edinburgh, will really centre on the views of a handful of shareholders. Only six institutions hold more than a 5 per cent share and one of them, Bell's, is the predator.

In 1981 Gleneagles bought the two British Rail hotels at either end of Princes Street in Edinburgh—the North British and the Caledonia—as well as the luxury Gleneagles Hotel in Auchterader for £13.5m.

It has spent £6m in improvements on the hotels. Gleneagles—which charges up to £175 a night—has four golf courses and a new leisure centre, and is now open all year round. The Caledonia — up to £130 a night — has been pushed up a star to five, while Gleneagles has announced a scheme with London Land and Bovis to completely revamp the North British.

In charge of making these smart hotels even smarter has been Mr Peter Tyrie, a 35-year-old hotelier with experience in the Far East with the Ramada Group.

Mr Tyrie's plan has been to buy into the top end of the London hotel market to build up a base from which to ferry tourists up to the opulent surroundings of Gleneagles or the Caledonian.

The international transport system seems to work against Scotland with the bulk of its overseas visitors coming up through London airports rather than direct into Scotland.

So far so good. Gleneagles Hotel increased turnover by 85 per cent from £3.5m in 1980 prior to takeover to £6.5m expected for 1983. The Caledonian increased turnover 100 per cent in this period to around £4.5m this past year and the company says the North British trades satisfactorily.

Profits not under £1m were forecast for the year to December 31 1983.

But all was not well behind the scenes. Some shareholders expressed concern about the rights issue. They felt that Gleneagles brought trouble on itself by going for a rights issue and forcing a key shareholder, British Rail, to sell its one third stake.

With British Rail actively divesting its non-rail interests such as hotels, it was not in a position to take up the rights issue and was expected to sell.

It was Bell's swift pre-holiday move taking 29.9 per cent of the 33 per cent British Rail holding that caught Gleneagles unaware.

Mr Tyrie said on Wednesday he felt let down by British Rail and Mr Ian Jones his financial adviser said the company had promised British Rail that it could place its shares for it.

But faced with a 100 per cent profit on its holding, with a £6.07m sale in its first attempt to put a value of Gleneagles' assets, and before a major capital undertaking in London, BR sold out.

The rights issue brought about the resignation of Gleneagles' merchant banker, the British Linen Bank. It disagreed about the size of the issue and apparently also queried the company's stated policy to avoid borrowing when it had such substantial assets to back it.

Mr Ian Jones was a director of British Linen, a subsidiary of the Bank of Scotland, when Gleneagles was formed before going on to found his own financial services company Quayle Munro.

Quayle Munro and British Linen were said to both be working for Gleneagles before the latter withdrew. The company then brought in London merchant bank Samuel Montagu to work with Quayle Munro.

It is here that Bell's, with considerable experience of expansion behind it, has blown the whistle on the company, saying openly in its letter to shareholders that it considers the refurbishment contract "too onerous an undertaking for a company of the present size of Gleneagles."

Mr Raymond Miquel, chief executive of Bell's—which is the UK leader in Scotch sales with an estimated 20 per cent of the market—said he agreed with the general idea of a London hotel but queried the particular scheme at the Piccadilly.

Takeovers in Scotland can easily become political issues: witness the battles over the Royal Bank of Scotland and Anderson Strathclyde, the mining equipment manufacturer.

But this can hardly be challenged on these grounds with a bid coming from Edinburgh not the South.

● Yesterday the board of Gleneagles announced that would propose an adjournment of the extraordinary meeting to be held on January 11. This they said would give shareholders an opportunity to consider the offer from Bells.

Harris Queensway's 'investment' in Stylo

BY TERRY GARRETT

LEADING carpets and furniture retailers, Harris Queensway, has taken a 5.1 per cent share stake in Stylo, a footwear shops chain controlled by the Ziff family. The move follows an inconclusive meeting between the directors of the two companies on Thursday.

Confusion surrounded Stylo's share price after the company put out a lunchtime statement that Harris Queensway's chairman, Mr Philip Harris, had informed Stylo that his company "is buying a 10 per cent stake." Stylo said it was not clear whether Harris Queensway "is contemplating an offer."

Later Harris Queensway confirmed that it had taken a smaller stake of 510,000 shares at 175½p each costing around £800,000, "as an investment."

Scenting more than an investment, Stylo's share price raced ahead by 80p to 248p in the marketing valuing the ordinary equity at £24.7m.

Mr Arnold Ziff, chairman of Yorkshire-based Style, was not at his office yesterday, and Mr Lloyd Hughes, the company secretary, would not comment further on Stylo's lunchtime statement.

Nevertheless, the meeting between the two companies the previous day was undoubtedly to discuss the possibility of Harris Queensway making an offer for the company.

The larger group could not hope to win control in a contested fight. The board of Stylo holds 480,000 management shares carrying 16 votes apiece. With the Ziff family holdings in the quoted ordinary, control rests firmly in the boardroom.

Stylo's recent profits performance has been flat. Having peaked at £1.1m pre-tax in the year to January 1979, profits were only £785,000 in 1982-83. In the first half of the current year there was a loss of £5 against a loss of £682,000. Stylo traditionally makes all its profit in the second half.

Stylo's asset base, however, may be of more interest to Harris Queensway. The last accounts showed net tangible assets of £19.4m, though on an inflation adjusted basis that figure rises to nearly £40m.

Harris Queensway has made its name as a rapidly expanding retail chain and "investment stakes" are completely out of character. Profits for the first half of 1983 rose from £4.93m to £9.34m. In its last full year, the group made £15.4m.

Analysts are suggesting that Stylo could fit in well within the larger group's portfolio. Though mainly known for its Stylo Barratt chain of around 350 shoe shops Stylo also has interests in manufacturing sports footwear and clothing shops. It also has a small chain of discount stores —Stylo Pennywise—which could be complementary to Harris Queensway's Poundstretcher chain.

John Hunt [illegible] to [illegible]

John Hunt, a London-based [illegible] is planning to [illegible] Unlisted Securities [illegible] a placing of more [illegible].

The [illegible] will consist [illegible] shares, representing [illegible] 20 per cent of the [illegible] and the company [illegible] be capitalised at around [illegible].

John Hunt has 29 outlets in [illegible] and the home counties, [illegible] for the 20-40 age group. [illegible] the company are [illegible] and Co and [illegible] advisers are United [illegible]. Further details [illegible] be announced on Thursday.

Fairline grows stronger and considers expansion

With its balance sheet considerably stronger, Fairline Boats will start to consider the possibility of further capital development projects, shareholders are told in the annual report.

Any major decisions will be delayed until the spring, as the group expects to experience the same seasonal cash flow variations that it has every year, explains the chairman Mr S. T. Newington.

The existing buildings are capable of producing an output well in excess of the present level if more staff is recruited, so any capital projects undertaken will in the main be related to product development and productivity improvement.

As regards the current year, the chairman says the order book is rather better than a year ago. He is optimistic about sales prospects in Germany, the U.S., Scandinavia and the Mid and Far East, but sales to some other European countries may not be as strong as he would like. Demand in the UK seems to be "quite good."

In the year ended September 30 1983 the group made a profit of £246,415, against a loss of £49,300, and is lifting the dividend from 1p to 1.75p net, as reported on December 10.

Meeting, Peterborough Moat House, February 6 at 3 p.m.

London Brick acquisitions

BY RAY MAUGHAN

London Brick yesterday completed [illegible] acquisitions in the [illegible] facing brick market which will add 36m bricks a year to the group's existing capacity [illegible].

[illegible] the announcement last [illegible] of these acquisitions, [illegible] brick works, [illegible] London Brick is certain [illegible] the rejected £170m [illegible] hours later [illegible] non-fletton brick [illegible] Trust.

The two new subsidiaries, [illegible] from the [illegible] of London Brick's front line [illegible] against Lord Hanson's [illegible] industrial holding group.

The capacity of Milton Hall (Southend) Brick and Claughton Manor Brick, lift London Brick's output in the non-fletton facing market to "well over 100,000 bricks annually," according to Mr Jeremy Rowe, the chairman of London Brick.

In a submission to the Office of Fair Trading a week ago urging a reference to the Monopolies Commission of Hanson's 120p per share cash offer, Mr Rowe emphasised London Brick's determination to develop as a "fifth force" in this specialist market.

This development has built up more successfully than the group had hoped last summer when London Brick abandoned plans to enter the non-fletton market on a major scale through the acquisition of Ibstock Johnsen.

According to Mr Rowe, both Ibstock and Hanson's Butterley Brick subsidiary deliver some 275,000 non-fletton facing bricks to a market which was worth £1.38m in 1982. London Brick is contending that the addition of its 8 per cent market share in facing bricks to Butterley's estimated 20 per cent share makes a clear case for a reference to the Monopolies Commission.

MCD pays £1.6m for floor covering concerns

MCD, [illegible] floor [illegible] has reached [illegible]

[illegible] Bailey's fulfilling certain performance conditions.

Bailey's turned in a pre-tax profit of £157,000 in 1982, and its net tangible assets were valued at £1.07m. It expects a profit of over £200,000 for 1983.

MCD reported a profit of £417,000 for the six months to June 1983 on sales of £12.2m.

Cavenham at £10.3m

For the six months ended September 30 1983 pre-tax profits of Cavenham, subsidiary of Generale Occidentale of France, amounted to £10.3m. This is compared with £13.6m for the 32 weeks to November 13 1982.

Tax charge for the period was £1.1m (£1.5m) and the attributable balance came out at £6.5m, against £8.7m.

Results due next week

[illegible] is expected [illegible] 19p net.

Magnet & Southerns has continued to expand its depots aggressively, opening a further 12 in the six months to the end of September, mostly in the prosperous south. So it has been in a good position to increase its share of a buoyant house refurbishment market. It looks as if manufacturing volumes have risen vigorously, with production up from 70 per cent to at least 80 per cent of capacity. However, it has been less able to push through price increases in its retail outlets than in the Southerns-Evans timber importing and distribution company, which has managed to pass on the June timber suppliers' price increases to its customers as well as add to margins. Capacity at the Darlington kitchen unit factory has doubled, with a similar increase in market share to 4 per cent. The City is looking for an increase in group pre-tax profits from £12.07m to around £17.3m when Magnet announces its interim figures on Wednesday, while the dividend could rise from 1.7p to perhaps 2p net.

Associated Newspapers should prove to be a major beneficiary of declining newsprint costs when it publishes its results for the year to September 30 on Tuesday. That, combined with an increase in the Mail on Sunday's circulation from 800,000 to some 1.4m over the year, may allow the newspaper division to swing from a £2m loss into a profit of perhaps £4m. Meanwhile, the Blackfriars Oil Company should see a slight decline in income as the Argyll field reaches the end of its life before the Duncan development can take up the slack. Trade investments and contributions from associates and other non-newspaper interests should lift the total from £11.6m to around £14m, with perhaps a modest increase on last year's dividend of 10.4p net.

Fitch Lovell's results for the six months to October 23 are difficult to predict accurately because of distortions thrown up by the sale of many of the group's retailing outlets during the period. The results, due to be announced next Thursday are likely to reveal a substantial rise in cash assets to around £40m following the sale of supermarket chain Key Supermarkets as well as the poultry and fish units, as Fitch moved wholly into manufacturing and distribution. Analysts' are divided on the size of the contribution to come from property sales, but the consensus is for a small increase in pre-tax profits from £6m to £6.3m, with a maintained dividend.

Assocated Dairies is likely to have benefited from the buoyancy of consumer spending when its results for the interim period ending October 1983 are announced next Wednesday. Food retailing profits should be well up, supported by the additional sales from five new stores opened in the south of England during the period.

Following substantial capital expenditure on expansion, interest receivable is expected to have declined. But the City still anticipates group pre-tax profits for the interim period of £43m an increase of nearly £10m, with the interim dividend up from 0.94p to 1.2p net.

Other companies due to report their results next week include Hogg Robinson, which publishes its interim figures on Tuesday, and Muirhead which brings out its full-year figures on Thursday. Henry Wigfall's interim report will be published on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
[illegible]	Wednesday	—	—	—
[illegible] Holdings	Thursday	—	—	4.5
[illegible]	Monday	1.75	4.115	1.75
[illegible]	Wednesday	—	—	—
[illegible] Trust	Thursday	11.0	20.0	12.0
[illegible]	Friday	0.15	0.3	0.225
[illegible] Investment Trust	Monday	—	—	—
[illegible]	Thursday	2.25	3.75	3.0
[illegible]	Monday	2.75	4.5	2.75
[illegible] Trust	Thursday	1.5	1.85	1.5
[illegible] Group	Thursday	1.75	3.75	2.5
[illegible]	Friday	—	—	—
[illegible] Finance Corpn	Monday	0.74	1.53	0.75
[illegible]	Thursday	2.0	2.0	2.0
[illegible]	Wednesday	—	2.5	1.5
[illegible]	Monday	0.3	0.3	0.3
INTERIM DIVIDENDS				
[illegible] Group	Tuesday	0.93773	1.31253	
[illegible]	Friday	0.575	1.75	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Brown and Tawse	Monday	0.70	3.175	
Cardo Engineering Group	Monday	1.3	3.25	
Ellis and Everard	Wednesday	2.27272	3.63636	
Fitch Lovell	Thursday	2.17	5.83	
Heath, Samuel	Thursday	—	20.0	
Hogg Robinson	Tuesday	3.0	3.0	
Jones, Stroud (Holdings)	Thursday	2.0	3.5	
Magnet and Southerns	Wednesday	1.7	3.2	
Multitone Electronics	Thursday	1.0	1.52	
Munton Brothers	Tuesday	1.5	1.5	
Murray Northern Investment Trust	*Monday*	0.6	1.4	
P.H. Industrials	Thursday	1.5	3.5	
Stead and Simpson	Thursday	1.0	3.25	
Symonds Engineering	Thursday	0.2225	0.5875	
Thorn EMI	Friday	4.05	11.7	
Tomkins, F. H.	Monday	0.575	0.925	
Wigfall, Henry	Friday	—	—	
Worthington, A. J. (Holdings)	*Monday*	—	—	
Bescak	Wednesday	—	—	

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

£3.2m U.S. bid for Aero Needles

BY RAY MAUGHAN

Aero Needles, the Redditch-based manufacturer of knitting and sewing needles, yesterday received a 60p-per-share cash bid worth £3.2m from the UK subsidiary of Newell, the Illinois DIY, household, needlework and craft products.

Mr Frank Cole, the chairman of Aero, said that various informal approaches were made to the group from time to time but, although Aero and Newell had exchanged licences over many years, the bidder had given no previous warning of its intentions.

Aero itself has been trimming back hard since Mr Cole joined the group in 1981 to the effect that profits for the first half of 1983 amounted to £195,000, up from £50,000 in the first six months of the previous year.

The improvement, however, has not been reflected in ordinary dividends given the arrears of dividend on the convertible preference stock.

The unpaid preference balance now stands at £128,000 after two recent tranches of repayment, the chairman said, although further payments would not normally be considered until the audited accounts for 1983 have been prepared. Full diluted net worth, he estimated, is about 74p per share.

The Aero board will be consulting Hill Samuel, its financial adviser, and, in the meantime, shareholders are strongly advised to take no action.

For its part, the U.S. company said that its "immediate aim will be to ensure Aero is conducting its activities in the most efficient and profitable manner."

Newell said that it wanted to continue Aero's programme of rationalising and developing the business "with a view to securing its long-term future and to achieving its future expansion in the light of the implementation of the programme."

APV seeks rest of Australian subsidiary

APV HOLDINGS, the UK-based producer of process plant for the food, beverage, chemical and mining industries, has made a £4m offer for the 40 per cent minority in its APV Bell Bryant subsidiary in Australia.

The offer is A$3.20 per ordinary share, which values the company at A$16.1m (£10.1m), putting the value of the offer at A$6.4m (£4.05m).

APV, which has expanded quickly over the past decade and is a leader in the international process plant market, has moved decisively towards a more centralised, divisional structure, into which this latest move fits.

With some 60 companies worldwide, its Australasia-Far Eastern division has accounted for something over 10 per cent of turnover in recent years.

The Pacific Basin area is seen as one of the short-term growth areas in the company's business, and the offer for the Bell Bryant minority is at the centre of an attempt to put the group's resources in the region—APV Holdings has direct or indirect interests in over 20 companies in the area—to greater use.

The offer is subject to the approval of the Australian Foreign Investment Review Board: APV believes that it will prove acceptable. The group has its regional headquarters in Australia.

APV reported interim profits to June 1983 of £7.8m on turnover of £170m, against 1982 half-year profits of £8m on £159m. In 1982 as a whole, it made £17.6m on turnover of £339m and expects a similar or slightly improved result for 1983.

Tootal completes disposal of Australian associate

BY CHARLES BATCHELOR

Tootal, the Manchester-based textiles, group has sold its remaining 30 per cent holding in its troubled Australian associate, Bradmill Industries, to the Melbourne industrial group, Entrad. Tootal has received £20.1m for the sale of its entire 49.9 per cent stake.

Tootal sold an initial 19.9 per cent stake in Bradmill to Benington, part of Entrad, three weeks ago and agreed to sell it the rest of its holding provided no higher offer emerged.

Benington is making a general offer of A$1.22 for each Bradmill share and now holds 25.77m shares, equal to 61.15 per cent of the equity following the second purchase from Tootal. Total value of the Benington bid is A$64.4m (£41m).

Tootal tried to sell Bradmill to Bruck (Australia), another textile group, for £24m in July 1982 but this deal was blocked by Australia's National Companies and Securities Commission.

It has been trying to sell Bradmill as part of its reorganisation plan and in an effort to reduce borrowings and interest charges. It acquired its stake in the company in 1978. The sale will knock about £20m off Tootal's borrowings cutting them to £40m and will reduce the £9.4m interest charge by £1.8m.

Mr Arnold Tyldesley, finance director said: "I can't think we are going to sell any more parts of the group which will be as significant as Bradmill though there will be further changes." Tootal made a pre-tax profit of £4.47m on turnover of 194m in the six months ended July 31 1983.

Its shares rose 1p yesterday to 39½p.

Sun Alliance bonus rates unchanged

The Sun Alliance Insurance Group has declared unchanged reversionary bonus rates for 1983 on all its main with-profit business.

For ordinary life contracts the rate remains at £4 per cent of the sum assured and £6 per cent of attaching bonuses. On the various individual pension plans the rate remains at £4 per cent of the basic benefit and £6.25 per cent of attaching bonuses. The rate on the retirement fund is moved to a slightly different basis, now being £6 per cent premium bonus plus £1 per cent special premiums bonus.

The group has made substantial increases in its Capital bonus scale for claims in 1984.

BIDS AND DEALS IN BRIEF

Armstrong Equipment has sold its South African subsidiary Armstrong Hydraulics (Proprietory) to Metair Investments which is incorporated in South Africa, on January 3 1984. Armstrong Hydraulics (Proprietory) makes automotive suspension equipment.

Consideration was R9.5m (£5.4m) and net asset value of the company at July 3 1983 was R4.05m. Net profit before tax for the year ending July 3 was R1.71m.

* * *

Grosvenor Group, electrical, electronics and engineering group, has made a recommended offer to acquire 76.58 per cent of the issued £1 ordinary shares of Backer Electric Company for £990,000 cash.

Backer, a private company, and its subsidiaries are engaged in the manufacture of domestic and industrial heating elements, and operate from Rotherham, Nottingham and Oldham.

The proposed acquisition will bring into the Grosvenor Group a long-established business operating in a field well known to Grosvenor's management, and both Backer's products and markets will overlap substantially with those of Metrel, an existing Grosvenor Group subsidiary.

* * *

On December 29 1983 Mr Aird and Mr Allen, chairman and managing director respectively of Oceonics Group Holdings, entered into an agreement to purchase 300,000 shares of Monogram Oil and Gas Inc. for 270,000 Oceonics ordinary.

* * *

City venture capital organisation English & Caledonian Investment has taken a major stake in the Unicorn Organisation, an independent TV film production company headed by former ATV chairman Mr Jack Gill.

English & Caledonian has bought 40 per cent of the equity of Unicorn for £170,000 and is putting in a further £100,000 as a loan. Unicorn is already working on a £250,000 series for Channel 4 called "The Past is not Another Place" and has 25 other projects at varying stages of development.

It has set itself ambitious growth targets and aims to go public on the USM within three years.

BANK RETURN

	Wednesday January 4 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	51,020,690	— 165,786
Bankers Deposits	706,391,717	— 34,570,619
Reserve and other Accounts	1,425,320,199	+ 14,087,496
	2,197,385,606	— 20,648,909
Assets		
Government Securities	462,823,485	— 31,838,000
Advance & other Accounts	560,489,720	— 27,078,520
Premises Equipment & other Secs.	1,168,844,135	+ 40,232,308
Notes	5,052,610	— 1,974,859
Coin	175,656	+ 9,161
	2,197,385,606	— 20,648,909
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	11,910,000,000	— 720,000,000
in circulation	11,904,947,390	— 718,025,141
in Banking Department	5,052,610	— 1,974,859
Assets		
Government Debt	11,015,100	
Other Government Securities	4,106,839,308	— 815,781,509
Other Securities	7,792,145,592	+ 95,781,509
	11,910,000,000	— 720,000,000

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
GOLD C	$375	49	10	100	25	—	—	$374.40
GOLD C	$400	—	—	3	14	—	—	"
GOLD C	$425	—	—	13	7	19	13	"
GOLD C	$450	—	—	15	4	—	—	"
GOLD P	$375	10	6	—	—	—	—	"
GOLD P	$400	—	—	1	24	—	—	"
		March		June		Sep.		
SILV C	$8	—	—	15	1.25	—	—	$8.42
SILV C	$9	22	0.55	56	0.80 A	7	1.10	"
SILV C	$10	34	0.13	—	—	25	0.60	"
SILV C	$8	—	—	6	0.60	—	—	"
		Jan.		April		July		
ABN C	F.400	99	8	64	18	—	—	F.398
ABN C	F.420	28	1.50	91	10	—	—	"
AKZO C	F.70	88	35.20	21	37	—	—	F.105.7
AKZO C	F.80	153	25.20	140	26.50	17	28.50	"
AKZO C	F.90	365	15.50	194	18.60	105	19.90	"
AKZO C	F.100	400	6	255	11.20	137	14.50	"
AKZO C	F.110	—	—	393	6.50	154	9.80	"
AKZO P	F.90	10	0.10	51	1.30	73	1.80	"
AKZO P	F.100	88	0.70	260	3.70	69	5	"
AKZO P	F.110	—	—	273	7.50	18	9.50 B	"
AMRO C	F.55	145	14.20	15	14.50	—	—	F.69.80
AMRO C	F.60	114	9.80	67	10	—	—	"
AMRO C	F.65	167	4.90	525	7.50	38	8	"
AMRO C	F.70	231	1.70 A	214	4	27	5	"
AMRO P	F.60	—	—	134	2	5	1.90	"
AMRO P	F.65	—	—	185	2.80 B	20	3.10	"
GIST C	F.170	119	5.50	18	13	—	—	F.171.50
HEIN C	F.130	141	7.50	85	11.40	25	14.50	F.137.20
HEIN C	F.140	105	2	101	6.80 B	34	8	"
HEIN P	F.140	5	4	71	6	—	—	"
HOOG C	F.40	78	13.20	193	14	96	15.50 B	F.53.60
HOOG C	F.45	32	8.90	78	9.50	13	12	"
HOOG C	F.50	—	—	60	7	67	8.90	"
HOOG P	F.50	—	—	88	3.80	89	5.10	"
KLM C	F.170	66	36 A	44	42 A	6	42	F.204.50
KLM C	F.180	91	25	92	31.50	56	33.50	"
KLM C	F.190	345	15.30	79	24.10	5	28	"
KLM C	F.200	146	8.50	109	16.80	182	22.50	"
KLM P	F.200	54	3.20	104	8	17	10	"
NEDL C	F.110	150	8	65	14	8	15.10 B	F.119
NATN C	F.200	11	16	73	21 A	3	24	F.216.50
PETR C	F.6500	—	—	110	260	1	430	Fr.6100
PHIL C	F.40	215	9.30 B	92	10.50 A	27	11.10	F.49.50
PHIL C	F.45	850	4.50	205	6.50	137	7.10	"
PHIL C	F.50	1841	1.30	891	4	225	4.90	"
PHIL C	F.55	945	0.10	1576	2.20	—	—	"
PHIL P	F.45	5	0.50	145	1.40	8	2.10	"
PHIL P	F.50	27	1.90	288	3.20	29	4.30	"
RD C	F.120	26	29	86	30	—	—	F.148.80
RD C	F.130	389	19.20	281	22	6	22.80	"
RD C	F.140	1686	8.60	741	14.50	108	15.50	"
RD P	F.150	1658	2.80	1324	8	175	10.70	"
RD P	F.130	147	0.10	55	0.80	14	2.60	"
RD P	F.140	114	0.50	263	2.80	73	4.60	"
RD P	F.150	54	3	70	5.80	—	—	"
UNIL C	F.260	—	—	69	4.50	—	—	F.270
EOE C	F.145	10	29	—	—	—	—	F.174.96
EOE C	F.150	5	25	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 26,515

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %
Allied Irish Bank	9 %
Amro Bank	9 %
Henry Ansbacher	9 %
Arbuthnot Latham	9 %
Armco Trust Ltd.	9 %
Associates Cap. Corp.	9½%
Banco de Bilbao	9 %
Bank Hapoalim BM	9 %
BCCI	9 %
Bank of Ireland	9 %
Bank Leumi (UK) plc	9 %
Bank of Cyprus	9 %
Bank of Scotland	9 %
Banque Belge Ltd.	9 %
Banque du Rhone	10 %
Barclays Bank	9 %
Beneficial Trust Ltd.	10 %
Bremar Holdings Ltd.	9 %
Brit. Bank of Mid. East	9 %
■ Brown Shipley	9 %
CL Bank Nederland	9 %
Canada Perm't Trust	10 %
Castle Court Trust Ltd.	9½%
Cayzer Ltd.	9 %
Cedar Holdings	9 %
■ Charterhouse Japhet	9 %
Choulartons	10½%
Citibank Savings	¶10½%
Clydesdale Bank	9 %
C. E. Coates	9½%
Comm. Bk. of N. East	9 %
Consolidated Credits	9 %
Co-operative Bank	* 9 %
The Cyprus Popular Bk.	9 %
Dunbar & Co. Ltd.	9 %
Duncan Lawrie	9 %
E. T. Trust	9½%
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11 %
First Nat. Secs. Ltd.	10½%
Robert Fraser	10 %
Grindlays Bank	‡ 9 %
■ Guinness Mahon	9 %
■ Hambros Bank	9 %
Heritable & Gen. Trust	9 %
■ Hill Samuel	§ 9 %
C. Hoare & Co.	† 9 %
Hongkong & Shanghai	9 %
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	9½%
Lloyds Bank	9 %
Mallinhall Limited	9 %
Edward Manson & Co.	10 %
Meghraj and Sons Ltd.	9 %
Midland Bank	9 %
■ Morgan Grenfell	9 %
National Bk. of Kuwait	9 %
National Girobank	9 %
National Westminster	9 %
Norwich Gen. Tst.	9 %
R. Raphael & Sons	9 %
P. S. Refson & Co.	9 %
Roxburghe Guarantee	9½%
Royal Trust Co. Canada	9 %
Standard Chartered	‖ 9 %
Trade Dev. Bank	9 %
TCB	9 %
Trustee Savings Bank	9 %
United Bank of Kuwait	9 %
United Mizrahi Bank	9 %
Volkskas Intnl. Ltd.	9 %
Westpac Banking Corp.	9 %
Whiteaway Laidlaw	9½%
Williams & Glyn's	9 %
Wintrust Secs. Ltd.	9 %
Yorkshire Bank	9 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months; £2,500 9%; £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	124	—	6.4	5.2	7.3	9.5
158	117	Ass. Brit. Ind. CULS	136	—	10.0	7.4	—	—
78	62	Airsprung Group	76	+1	6.1	8.0	21.7	21.7
38	21	Armitage & Rhodes	28	—	—	—	—	—
273	141½	Bardon Hill	273	—	7.2	2.6	11.1	22.7
54	53	Bray Technologies	54	—	2.7	5.0	9.7	10.6
200	198	CCL Ordinary	198	—	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
180	100	Carborundum Abrasives	180	+16	5.7	3.2	—	—
249	100	Cindico Group	100	—	17.6	17.6	—	—
63	45	Deborah Services	51	−1	6.0	11.8	27.3	44.3
185	75	Frank Horsell	185	+1	—	—	7.7	12.8
179	75½	Frank Horsell Pr Ord 87	173	+1	8.7	5.0	7.3	11.9
89	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
39	32	George Blair	33	—	—	—	—	—
80	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
226	134	Isis Conv. Pref.	225	—	17.1	7.6	—	—
121	61	Jackson Group	121	—	4.6	3.7	6.3	12.4
237	169	James Burrough	236	—	11.4	4.9	13.0	13.4
315	275	Minihouse Holding NV	315	+5	4.0	1.3	23.7	23.7
178	118	Robert Jenkins	118	—	20.0	16.9	13.7	9.2
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	75	Torday & Carlisle	75	—	2.9	3.9	—	—
440	385	Travian Holdings	440	—	—	—	8.0	8.2
26	17	Unilock Holdings	17	—	1.0	5.8	11.1	16.2
90	65	Walter Alexander	87	—	6.8	7.8	7.6	10.1
278	240	W. S. Yeates	240	—	17.1	7.1	3.7	7.7

£5m coal handling order for Babcock

BABCOCK-MOXEY of Gloucester, a Babcock International company, has won a contract worth around £5m from the National Coal Board for the supply of coal handling equipment. It will include what is said to be the first wholly British designed and manufactured circular storage/homogenising coal handling system.

The equipment will be supplied to the board's *Hem Heath Colliery* in Staffordshire for evaluation and testing under operational conditions and will form a major link between the mine's output and the existing coal preparation plant. The system will include stacking and reclaiming equipment to handle 2,200 tonnes per hour and 1,500 tonnes per hour respectively, working within a circle of 100 metres diameter and capable of storing in excess of 40,000 tonnes of coal.

While circular homogenising systems exist throughout the world, the Babcock-Moxey system is thought to employ a unique *form of barrel reclaimer working* in the circular mode, giving an improved degree of homogenisation over other existing circular systems.

In the circular system coal is fed via overhead conveyor to the centre of a 100-metre diameter circular storage yard, uncrushable material and over-size debris being removed en route by a large Bradford Breaker. A large column at the centre of the storage yard supports the discharge end of the feed conveyor and also the boom stacking machine and inner end of a barrel-type reclaimer. Coal is laid by the boom belt in the Chev*layering method*, with the boom able to slew and luff while layering material to achieve the best possible results, the variables being dispersed over the full width and height of the pile.

The Babcock-Moxey full-face barrel-type reclaimer, with 180 buckets positioned around and along the 12-sided outer surface, will scoop up the homogenised material and discharge it onto the internal belt conveyor which in turn discharges a controllable output up to 1,500 tonnes per hour into a central hopper to be fed to the coal preparation plant via a vibrating feeder and underground belt conveyor.

According to the NCB the equipment described will be purchased by the board for use in UK mines or establishments as and when it has met operational requirements.

★

The microwave division of FERRANTI ELECTRONICS Poynton has won a contract believed to be worth in the region of £500,000 with Rediffusion to supply a number of TVRO terminals. These will be used to receive satellite distributed subscription television channels for transmission on Rediffusion's existing cable network. Mr David Hepworth, Rediffusion's director of engineering, said the decision had been taken after many months of consideration of the optimum method and equipment for the distribution of cable TV channels. It represents a key step in the implementation of Rediffusion's plans to offer new cable programmes on many of its existing networks in spring 1984.

★

CARSON OFFICE FURNITURE has been awarded a contract worth £200,000 to furnish the *open plan* offices of Smiths Industries' new building at Cheltenham. This is in addition to a £130,000 order awarded to Carson Office Furniture for Smiths Industries at Basingstoke. The new 60,000 sq ft building, with some 48,000 sq ft of office space, is the first phase of Smiths Industries Aerospace and Defence Systems' modernisation programme and will accommodate up to 350 employees. Carson is supplying screen-based furniture from its Link 900 range launched last October, including desking with wire management facilities. Part of the contract includes the installation of offices partitioned by Carson's two-metre high screens with doors finished in anigré veneer to match the furniture.

★

A £500,000 refurbishment contract awarded by Crown Crest Enterprises to Leicester-based JELSON (CONTRACTORS) is nearing completion after only 10 weeks. The contract is for the conversion of the 224,000 sq ft one-time Metal Box factory on Loughborough Road, Leicester to a cash-and-carry complex for Crown Crest which acquired the site in September. The work is being carried out in two phases. Phase one, the 125,000 sq ft cash and carry warehouse, included refurbishing the main hall, checking out area, the two-storey canteen and office areas together withupgrading the buildings externally. Phase two, the construction of 13 franchise units with another 100,000 sq ft of warehouse space, is expected to be completed before Christmas.

★

HADEN YOUNG, the building services subsidiary of Haden, has been awarded three contracts worth £2.68m. The largest is a mechanical services order, worth £1.84m, for the Phase III development of the Royal South Hants Hospital in Southampton involving construction of an outpatients department for the Wessex Regional Health Authority. The other contracts are for mechanical services for a office block for Ciba-Geigy at Horsham, Sussex, and for air conditioning, ventilation and mechanical piping for Beecham Pharmaceuticals at Worthing.

★

TINTOMETER, Salisbury, has won a £220,000 order, to supply 375 colour measuring instruments to China. The instruments are destined for edible oil refineries in China, for measuring the colour—and therefore the quality—of soya, rape-seed and cotton-seed oils.

★

Dairy Crest has ordered a complete turnkey system from WEBSTER GRIFFIN to automatically pack and palletise skimmed milk powder. Valued at £200,000 the contract includes the supply of sack placer, Matam filler, high accuracy scale providing ±10g over average of 10 weighments, fully automatic sack closing and sealing equipment, conveyors and a high level palletiser with a built-in broken bag detector and load compaction system. The complete line has been designed to pack at six tons/hour using 25 kg sacks, and is scheduled for commissioning early 1984.

Olivetti system for building society

BRITISH OLIVETTI is to provide the National & Provincial Building Society with a £5.5m on-line front counter and back-office enquiry system. Based on Olivetti's Line 1 processors, the equipment is for the society's 366 branches and is to be installed over the next two years, eventually servicing over 1,250 counter positions.

★

The Ministry of Defence has placed orders worth over £350,000 for newly-developed aluminium ball valves for use on portable petroleum fuel lines in the Falkland Islands, to WORCESTER CONTROLS (UK), a subsidiary of BTR. The 6 inch valves have been designed to provide weight savings and increased manoeuvrability for army personnel engaged in linking sea-borne fuel supplies to on-shore inflatable tanks.

Economic Diary

TODAY: Harrogate International Toy Fair opens (until January 12). Contadora Group (Central American States) meets in Panama.

TOMORROW: Sir Geoffrey Howe, Foreign Secretary, begins visit to Egypt, Saudi Arabia and Syria (until January 12). Arab Bankers Association hold conference on "Bankers and Contractors" in Abu Dhabi. Foreign Ministers from Lebanon, Syria and Saudi Arabia meet in Riyadh to discuss second round of reconciliation talks.

MONDAY: Meeting of the EEC Agriculture Council in Brussels to discuss future policy development and the need for cost cutting (until January 10). Housing staffs and completions (November). Slum clearance 1982/83. Mr Peter Walker, Energy Secretary, addresses Coal Industry Society lunch at Park Lane Hotel, W1. Foreign Ministers of the Gulf Co-operation Council attend emergency meeting in Riyadh.

TUESDAY: London clearing banks' monthly statement (mid-December). Provisional estimates of monetary aggregates (mid-December). Provisional figures of vehicle production (December). Credit business (November). Final November retail sales. Launch of British Road Federation report on urban transport. Institute of Directors hold conference on "How to finance a new business and its growth" at 116 Pall Mall, SW1. Kissinger Commission to make recommendations on long-range policy in Central America. Chinese Premier Zhao Ziyang to meet President Reagan in Washington. Danish General Election. Nato Council hold final preparatory session in Brussels for European disarmament conference. Swedish budget.

WEDNESDAY: Provisional producer price index numbers (December). Advance energy statistics (November). Index of production and construction for Wales (third quarter). Nato special consultative group meets on medium range weapons in Brussels.

THURSDAY: Thirteen of Poland's creditor banks meet in Paris to discuss debt rescheduling. European Parliament meets in Strasbourg (until January 20). The Institute of Taxation holds conference on "Business tax and other financial incentives" at Royal Air Force Club, W1. Latin and Caribbean countries to discuss foreign debt in Quito. Islamic Foreign Ministers hold preparatory meeting for summit in Rabat. Labour Party launches new look campaigning operation for European Parliamentary elections.

FRIDAY: Building Societies' monthy figures (December). Usable steel production (December).

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*406)	360	48	—	—	2	—	—
	390	22	33	40	3	16	20
	420	5	18	27	22	32	37
	460	1	8	12	57	66	70
Cons. Gold (*509)	460	64	75	87	2	14	20
	500	20	50	57	15	34	42
	550	4	30	38	50	62	72
	600	1	13	—	95	100	—
	650	1	4	—	145	150	—
Courtaulds (*126)	76	51	—	—	1	—	—
	86	41	—	—	1	—	—
	90	—	39	43	—	1	2
	96	31	—	—	1	—	—
	100	—	30	35	—	2½	4
	110	18	21	26	1	3½	6
	120	9	14	18	3	6	9
	130	3	7	11	9	11	13
Com. Union (*166)	140	47	50	53	1	1½	3
	150	27	32	34	1½	5	8
	180	9	15	23	4	12	16
	200	1½	7	11	16	24	27
G.E.C. (*188)	160	30	36	44	2	4	6
	180	12	22	28	5	9	14
	200	3	10½	18	16	20	24
	220	1	4	8½	34	36	38
	240	1	2	—	—	—	—
	260	1	—	—	—	—	—
Grand Met. (*355)	300	37	40	48	1½	5	8
	330	8	20	30	5	12	20
	360	1	8	15	27	32	38
	390	1	3	—	57	62	—
I.C.I. (*650)	420	234	—	—	1½	—	—
	460	194	—	—	2	—	—
	500	154	156	—	2	2	—
	550	104	108	116	2	4	8
	600	56	62	74	3	12	16
	650	11	28	40	12	34	44
Land Secur. (*286)	214	73	78	85	1	2	2
	236	51	56	62	1	2	3
	240	47	53	59	1	3	5
	257	30	36	42	1	5	10
	260	27	34	40	2	7	11
	280	11	18	25	4	15	19
Marks & Sp. (*219)	180	40	46	—	1	2	—
	200	20	27	31	2	5	5
	220	5	12	16	5	12	14
Shell Trans. (*603)	460	147	—	—	1	—	—
	500	107	113	117	1	3	6
	550	58	68	73	2	8	16
	600	12	32	42	14	22	32
	650	1	9	—	48	57	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays (*504)	420	92	97	—	2	6	—
	460	54	55	67	5	16	20
	500	22	34	45	18	30	40
	550	5	12	—	—	65	—
Imperial Gp. (*143)	110	35	36	—	0¼	1	—
	120	25	27	—	1	2	—
	130	16	18	20	2	3½	5
	140	7	10	13	4	6	8
	160	2½	5	6½	17	19	21
LASMO (*200)	240	65	70	77	4	7	14
	260	45	52	60	8	16	23
	280	28	40	45	15	25	30
	300	11	25	35	25	35	40
	330	4	10	—	48	50	—
	360	1½	5	—	—	—	—
	390	0½	1½	—	—	—	—
Lonrho (*113)	90	25	27	29	0½	1	2
	100	15	18	20	1	3	4
	110	7	9½	11½	4	6	8½
P. & O. (*242)	180	64	—	—	2	—	—
	200	45	52	—	2	3	—
	220	26	36	—	3	6	—
	240	13	25	33	8	15	18
	260	5	15	22	23	26	27
Racal (*222)	180	48	56	64	2	3½	6
	200	30	38	46	4	7	12
	220	13	22	32	10	14	22
	230	5	14	—	—	—	—
	250	2	5	—	—	—	—
	275	1	—	—	—	—	—
R.T.Z. (*627)	463	151	—	—	—	—	—
	500	133	—	—	1	—	—
	533	101	—	—	1½	—	—
	550	87	100	114	4	12	17
	563	57	—	—	7	—	—
	600	42	60	74	12	26	35
	650	16	30	—	32	45	—
	700	4	15	—	—	—	—
Vaal Reefs (*$105)	90	18	21½	23	2½	5	6½
	100	10½	14½	16	6	9½	11½
	110	5½	9½	11	10½	15	18
	120	2	6½	—	17½	22	—
	130	1	3	—	26½	30½	—
	140	1	1½	—	—	—	—

Option		Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham (*311)	300	27	37	45	8	13	17
	330	11	15	25	27	30	35
	355	2½	—	—	48	—	—
	385	1	—	—	75	—	—
Bass (*318)	300	25	30	35	6	9	14
	330	6	10	15	23	25	30
De Beers ($*752)	700	75	85	105	13	22	33
	750	44	54	63	37	47	65
	800	20	33	—	60	75	—
	850	6	—	—	100	110	—
Guest Keen (*181)	160	27	30	33	2	5	8
	180	13	17	19	8	13	17
	200	5	—	—	22	—	—
Hanson (*260)	220	42	48	—	2	4	—
	240	37	34	39	5	9	13
	260	14	21	28	13	19	23
	280	5	11	17	29	33	36
Tesco (*180)	160	25	29	32	3	4	5
	180	9	13	17	9	13	16

Jan. 6. Total Contracts 3,910. Calls 2,714. Puts 1,196.
* Underlying security price

SUMMARY

Take-over bids and deals

Trafalgar House's latest move towards establishing itself in the oil and gas industry resulted in an agreed share exchange offer worth £78.5m for Candecca, the UK's largest onshore oil exploration company whose interests include a 25 per cent stake in the Humbly Grove field. Trafalgar is offering 10 of its own shares for every 11 Candecca, valuing the latter at 200p per share. There is a cash alternative of 185.45p.

A £20m bid for the privately-owned Gleneagles Hotel Group from leading whisky distiller *Arthur Bell* met with a swift rebuff from Gleneagles' managing director Mr Peter Tyrie who described the offer as unexpected, unwelcome and too low. Bell has launched its bid after acquiring a 29.9 per cent stake in Gleneagles from British Transport Hotels just before Christmas. The whisky group is offering 173 of its own shares for every 100 Gleneagles, with a cash alternative of 225p per share.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Aero Needles	60*	67½	43	2.56	Newell Furnshgs.
Allnatt Lon Props	245†	242	220	98.00	Slough Estates
Ault & Wiborg	46*	44	33††	4.70	Sun Chemical
Bishops Grp Ord	291*	280	275	5.09	Booker McConnell
Bishops Grp A NV	221*	210	245	7.74	Booker McConnell
Brkly & Hay Hill¶	8¼	8¼	10½	2.46	Promotions House
Candecca Res	198	195	185	77.71	Trafalgar House
Danish Bacon 'A'	115*	105	110	1.98	Ess-Food
Eagle Star	700*	698	528	968.27	BAT Inds
Edith	57*	56	47	55.95	Invs in Industry
FMC¶	49*	46	48	4.90	Hillsdown Hldgs
Francis Parker	50*	49	52	12.88	Tarmac Rdstone
Guildhall Prop	162†	157	132	0.99	Exent
Helical Bar	65*§	62	75	1.89	Slough Estates
Ingram (H.)	65*§	353	80	1.02	Wasskon
Int Paint	208§	198	162	18.70	Courtaulds
London Brick	120*	133	104	154.03	Hanson Trust
Maynards	250*§	285	198	6.34	Lewis E. Cartier
Miller (F.)	36½	39	42	5.26	Nottingham Mnfg
Rightwise	238½*§	190	200	2.57	Crosby House
Rosedimond Inc	57½	56	50	3.44	English Assocn
Rosedimond Cap	241	224	185	6.41	English Assocn
Russel Bros¶	50*	85	115	0.72	Mr N. Phoenix
Stenhouse	143§§	133	106	54.28	Reed Stenhse 'A'
Streeters	20*§	20	38¼	1.15	Costain
Sunlight Serv	285†	220	192	34.53	Brengreen Hldgs
Tecalemit	43½§§	50	29	14.87	Siebe Gorman
Telfos	40*§	60	38	2.08	Plantation and Gen Ivs
Trust Securities	15*	61	46	4.69	Stockley Dev
Twinlock	71*§	70	60††	15.17	Acco World Cpn

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 6/1/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Guinness Peat	Sept†	2,562	(—)	1.37	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AIM Group	Oct	488	(198)L	1.9	(1.9)
Cardiff Broadcast	Sept	15	(94)	—	(—)
Delmar Group	Sept	53	(196)	0.98	(—)
Electronic Rental	Sept	4,430	(6,160)	1.17	(1.17)
Hollas Group	Sept	423	(412)	1.0	(1.0)
Howden Group	Oct	3,710	(3,560)	—	(—)
Mountleigh Group	Oct	835	(269)	1.0	(0.83)
New Court Nat Rs	Sept	828	(678)	—	(—)
Radient Metal Fin	Aug	48	(14)	—	(—)
Stavert Zigomala	Sept	23	(19)	6.72	(6.3)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share except where otherwise stated. † Figures for 11 months. L Loss.

Offers for sale, placings and introductions

Rigby Electronics—Placing of 1.6m shares at 15p each.
Welpac—Coming to USM via a placing of 5m new shares of 10p each.

Prospectus

Holborn Currency Fund Limited

(A Company limited by shares incorporated in Bermuda)

OFFER FOR SUBSCRIPTION

of up to 100,000,000 Participating Redeemable Preference Shares of US$0.01 per share

The subscription lists will open at 10.00 am on Monday 9th January 1984 and will close at 5.00 pm on Friday 20th January 1984.

DIRECTORS
Michael George Newmarch (Chairman) 142 Holborn Bars, London EC1N 2NH. Deputy Chairman and Chief Executive, Prudential Portfolio Managers Limited.
Rupert Leo Sutton (President) Vanbrugh House, 41-43 Maddox Street, London W1R 9LA. General Manager, Vanbrugh Life Assurance Limited.
Donald Peter Lines (Vice-President) Bank of Bermuda Building, Front Street, Hamilton, Bermuda. Chief General Manager, The Bank of Bermuda, Limited.
John Douglas Campbell, Thirty Cedar Avenue, Hamilton, Bermuda. Barrister and Attorney of the Supreme Court of Bermuda.
John Nigel Littlewood, City-Gate House, 39-45 Finsbury Square, London EC2A 1JA. Partner, Rowe & Pitman, Stockbrokers.
Brian George Pearmain, Normandy House, St. Helier, Jersey, Channel Islands. Advocate of The Royal Court of Jersey.
Geoffrey Robert Rowland, Manor Place, St. Peter Port, Guernsey, Channel Islands. Advocate of The Royal Court of Guernsey.

SECRETARY
Anton Eisdell, Thirty Cedar Avenue, Hamilton 5-30, Bermuda. Barrister and Attorney of the Supreme Court of Bermuda.

REGISTRAR AND CUSTODIAN
(in Bermuda)
The Bank of Bermuda, Limited, Bank of Bermuda Building, Front Street, Hamilton, Bermuda.
(in Guernsey)
The Bank of Bermuda (Guernsey) Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

INVESTMENT ADVISERS
Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.

BANKERS
The Bank of Bermuda, Limited, Bank of Bermuda Building, Front Street, Hamilton, Bermuda.

AUDITORS
(in Bermuda)
Deloitte Haskins & Sells, Chartered Accountants, Washington Mall North, Church Street, Hamilton 5, Bermuda.
(in Guernsey)
Deloitte Haskins & Sells, Chartered Accountants, Albert House, South Esplanade, St. Peter Port, Guernsey, Channel Islands.

MANAGER
Holborn Fund Management (Guernsey) Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

LEGAL ADVISERS
(in England)
Keith Bedell-Pearce, 142 Holborn Bars, London EC1N 2NH.
(in Bermuda)
Appleby, Spurling & Kempe, Thirty Cedar Avenue, Hamilton 5-30, Bermuda.

REGISTERED OFFICE
Thirty Cedar Avenue, Hamilton 5-30, Bermuda.

TRANSFER OFFICE
(in Bermuda)
Bank of Bermuda Building, Front Street, Hamilton, Bermuda.
(in Guernsey)
Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

STOCKBROKERS
Rowe & Pitman, City-Gate House, 39/45 Finsbury Square, London EC2A 1JA.

ADMINISTRATORS
(in Bermuda)
Management International (Bermuda) Limited, Bank of Bermuda Building, Front Street, Hamilton, Bermuda.
(in Guernsey)
Management International (Guernsey) Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

Tax Status of New Fund

On 17th November 1983, the United Kingdom Inland Revenue announced details of proposed new taxation rules relating to certain offshore funds whereby the whole of UK investors' gains after 1st January 1984 would be taxed as income. At the same time, the Inland Revenue gave details of how offshore funds could qualify for exemption from the new rules, thereby enabling UK investors in those funds to continue to be taxed under the old capital gains tax regime in respect of gains realised on a disposal of their shares in the qualifying fund.

Holborn Currency Fund has been constituted and will be managed with the objective of it qualifying for exemption from the new rules.

Fixed Price Offer for a Limited Period

Shares are being offered at fixed prices until 20th January 1984. After that date the price of each Class of Share will vary according to the net value of the assets of that Class. Subscriptions and accrued interest will be invested in foreign currencies from 23rd January 1984 onwards.

Investment in Foreign Currencies

Over recent years private and corporate investors have realised the importance of spreading their portfolios over a range of international investments. Investments denominated in only one currency are vulnerable to weakness of that currency through, for example, relative inflationary pressures in the domestic economy. *An attractive way of reducing that risk has been to maintain a portfolio of bank deposits* denominated in various currencies.

Funds that arrange and manage these facilities have been extremely popular. For example, the Vanbrugh Currency Fund, established in Jersey in 1981, had assets of £89m on 1st December 1983.

Vanbrugh, in association with Prudential Portfolio Managers Limited, is now launching an entirely new currency fund based in Bermuda.

Key features of the new Fund are:-

- **It is designed to qualify for total exemption from the proposed new UK legislation on the taxation of gains of UK investors in offshore funds as income.**
- **Extensive range of currency investment options, including managed and deposit funds.**
- **Opportunities for capital growth.**
- **Individual shareholders benefit from the higher 'wholesale' interest rates earned by the Fund.**
- **Fund based in Bermuda, an offshore financial centre of the highest repute.**
- ***The investment advisers are Prudential Portfolio Managers Limited,* who also advise the highly successful Vanbrugh Currency Fund.**

Income Distributions

In order to qualify for exemption from the new rules on the taxation of gains by UK investors on the realisation of interests in offshore funds as income, an offshore fund must comply with certain rules on the distribution of its income. Accordingly, the Directors intend to distribute to all shareholders at six monthly intervals, the entire net income accruing to each Currency Fund (as defined below). Further details are contained in the Section headed "Taxation" below.

Holborn Currency Fund Limited

The Fund is an open-ended investment company incorporated in Bermuda on 7th December 1983.

The Fund offers a range of shares to investors wanting to invest in leading world currencies but who do not wish to select and manage their own foreign currency deposits. Generally the Fund will be able to earn higher rates of interest than those obtainable by individuals on bank deposits and it will also be able to invest in money market instruments not normally available to private investors.

The Fund will benefit from the investment advice and extensive international expertise of Prudential Portfolio Managers Limited, the largest corporate investment manager in the United Kingdom.

The new Fund offers investors a complete range of currency investment alternatives. The *Managed Shares* are designed for investors who wish to leave all the currency selection and management decisions to the Manager. The *Deposit Shares* are designed for those investors who prefer to select their own currencies.

Full Range of Currency Investment Options

Holborn Currency Fund Limited may issue both Managed Shares and Deposit Shares.

The *Deposit Shares* are denominated in Sterling, US Dollars, Japanese Yen, Deutschemarks and Swiss Francs. The assets of a particular type of Deposit Share are denominated and payable in the currency of denomination of that type, though assets denominated in a different currency may be acquired provided that a forward sale of the principal amount of the investment (plus the expected interest to maturity) is effected. There is therefore no currency risk within each type, although the value of the assets of each type will fluctuate in terms of other currencies as exchange rates move. Each type of Deposit Share will effectively operate as a money market fund invested in the currency of denomination. Investors may at present switch at no additional charge from one type of Deposit Share to another at the respective Redemption and *Subscription Prices then prevailing.*

Sterling denominated and US Dollar denominated *Managed Shares* are offered to investors who wish to leave the decision to the Manager as to the portfolio of currencies held. The Manager will usually invest the assets attributable to each type of Managed Share in a variety of currencies and will decide when, and to what extent, switches of holdings should be made.

Choice of Managed Shares

The pattern of changes in the value of Sterling has been noticeably different to that of changes in the US Dollar. The Directors believe that this feature of currency movements will continue in the foreseeable future and therefore they consider it appropriate that two distinct managed funds are offered. Investors may then choose the fund most suited to their personal circumstances.

An investor's choice between Sterling Managed Shares and US Dollar Managed Shares will depend on personal circumstances and prevailing economic conditions. The Directors can give only general guidance without responsibility on their part.

Those investors who traditionally measure their assets in Sterling are likely to find the Sterling Managed Shares more appropriate. Those whose finances are expressed in US Dollar terms are likely to find the US Dollar Managed Shares more suitable. Investors may at present switch at no additional charge from one type of Managed Share to the other type, or to Deposit Shares, at the respective Redemption and Subscription Prices then prevailing.

Investment Policy

The assets of the Fund will normally be held in bank deposits in major international currencies including Sterling. The average term of these investments will normally be six months or less and the average term of any one investment will normally be 12 months or less, so that the risk of capital losses through changes in interest rates is minimised. The Bye-Laws permit the Fund to invest also in short-term (up to six months) and longer dated money market instruments. In those circumstances the main types likely to be held would include Certificates of Deposit, Floating Rate Certificates of Deposit, Floating Rate Notes, and short dated Bonds. The exact balance between bank deposits and money market instruments will be determined by the Manager from time to time in the light of the investment conditions then prevailing, but it is the present intention of the Directors that the majority of the assets of each fund will be held in bank deposits. In order not to expose the funds to excessive risk, deposits will be made only with banks of the highest standing. The Directors will also ensure that any portfolio of money market instruments is selected and managed in accordance with the need to achieve a prudent spread of assets and to meet the objectives of the Fund. In particular, within each Currency Fund (as defined below), no investment will be made which would cause the aggregate investment in any one security to exceed 20% of the net asset value of that Fund. Movements in exchange rates may give rise to capital profits and losses within the Funds; however, in accordance with UK tax legislation and practice, no capital gain will be distributed to shareholders. The Directors do not intend to alter the investment policy of the Fund for a period of 3 years following listing other than to effect changes which they consider to be necessary following the enactment of the proposed legislation on offshore funds or in anticipation thereof.

Quality of Investment Management

The management of any currency portfolio is a highly specialist task, requiring a continuous monitoring of economic conditions throughout the world and great knowledge and experience of the foreign exchange markets. The Fund's investment advisers are Prudential Portfolio Managers Limited, who are also the investment advisers to Vanbrugh Currency Fund Limited.

Investors who entered the Vanbrugh Currency Fund at the time of the initial launch have achieved an overall return of 53.2% *based on the bid price of A Shares* of 123.9p on 1st December 1983, assuming the re-investment of dividends gross. It must be emphasised, however, that in view of the volatility of exchange rates and interest rates, the Directors can make no forecast for the performance of the Managed Shares. Investors are reminded that the value of Managed Shares in Holborn Currency Fund may go down as well as up. The value of Deposit Shares in terms of other currencies will fluctuate in line with exchange rate movements but the investment policy to be pursued will normally secure the capital value of these Shares in the currency of denomination. An investment in shares of the Fund should form only part of an individual's *diversified* portfolio of securities.

The Fund's Manager and Investment Advisers

The Fund has entered into an agreement with Holborn Fund Management (Guernsey) Limited ("the Manager") for the management of the Fund's portfolio of investments and the administration of its affairs. The Manager is a wholly-owned subsidiary of Prudential Portfolio Managers Limited which is itself a wholly-owned subsidiary of Prudential Corporation p.l.c., the parent company of the Prudential Group.

Prudential Portfolio Managers Limited have been appointed Investment Advisers to the Manager. They are the UK's largest corporate investment manager and have substantial experience in a wide range of financial markets. Overseas investments managed by Prudential Group companies exceed £1,000 million and through its association with the Prudential Group, the Fund has access to the experience and advice of stockbrokers and bankers throughout the world.

Reinvestment of Income

There will be a facility for automatic reinvestment of gross dividends for investors who do not wish to receive the *dividends* distributed. The dividends due on a holding of Shares *will be used to purchase* additional Shares of the same type at the Subscription Price ruling at the time of purchase.

Bermuda Taxation

At the date of this Prospectus there is no Bermuda Income Tax, Withholding Tax, Capital Gains Tax, Capital Transfer Tax, Estate Duty or Inheritance Tax payable by the Fund or its shareholders.

By virtue of the Exempted Undertakings Tax Protection Act 1966 (as amended), the Minister of Finance of Bermuda has given an undertaking that in the event of there being enacted in Bermuda any legislation imposing tax computed on profit or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of Estate Duty or Inheritance Tax, the tax shall not until 28th March 2006 be applicable to the Fund or to any of its operations, or to the shares of the Fund except in so far as the tax applies to persons ordinarily resident in Bermuda or to any land in Bermuda leased or let to the Fund.

As an exempted company the Fund is liable only to a fixed annual payment to the Bermuda Government which is currently BD$2,250.

Stamp duty is payable by the Fund at the rate of 0.25 per cent on the nominal value of the Fund's initial authorised share capital and on any increase therein and stamp duty is also payable at the rate of 0.1 per cent on the excess of the Subscription Price over the par value of shares issued in response to the initial offer of Shares to the public.

The attention of prospective investors in the Fund is drawn particularly to the Section headed "Taxation" below.

MANAGEMENT AND ADMINISTRATION

Directors

Mr. M. G. Newmarch (date of birth 19th May 1935) is the Chairman of the Fund. He is Deputy Chairman and Chief Executive of Prudential Portfolio Managers Limited and has been involved in investment management within the Prudential Group for 20 years.

Mr. R. L. Sutton (date of birth 24th August 1925) is the President of the Fund. He is a Fellow of The Institute of Actuaries and has been General Manager of Vanbrugh Life Assurance Limited since 1974. He is Chairman of Vanbrugh Currency Fund Limited.

Mr. D. P. Lines (date of birth 23rd December 1931) is a Vice-President of the Fund. He is Chief General Manager at The Bank of Bermuda, Limited.

Mr. J. D. Campbell (date of birth 8th January 1943) is a Barrister and Attorney of the Supreme Court of Bermuda and a partner in Appleby, Spurling and Kempe.

Mr. J. N. Littlewood (date of birth 18th April 1935) is a partner in Rowe & Pitman, Stockbrokers, London.

Mr. B. G. Pearmain (date of birth 2nd June 1948) is an Advocate of the Royal Court of Jersey and a partner in Bedell and Cristin.

Mr. G. R. Rowland (date of birth 5th January 1948) is an Advocate of the Royal Court of Guernsey and a partner in Collas, Day and Rowland.

Manager

Subject to the control of the directors, Holborn Fund Management (Guernsey) Limited is responsible for the overall management and administration of the Fund's affairs including investment and valuation of the Fund's assets and the issue and redemption of the Fund's shares. The Manager has sub-contracted its administrative responsibilities in Bermuda to Management International (Bermuda) Limited and in Guernsey to Management International (Guernsey) Limited, ("the Administrators"). The Administrators are wholly-owned subsidiaries of The Bank of Bermuda, Limited and between them perform similar services to over 30 investment companies and unit trusts.

The remuneration of the Administrators is paid by the Manager. The directors of the Manager are Mr. M. G. Newmarch and Mr. G. R. Rowland (who are also directors of the Fund), Mr. D. Austen, Mr. D. A. Haithwaite and Mr. R. Meers.

Investment Advisers

Prudential Portfolio Managers Limited have been appointed investment advisers to the Manager. They have undertaken to keep the Fund's investments under regular review and to provide the Manager with advice on the investment and general deployment of the Fund's assets. Their remuneration as investment advisers is paid by the Manager.

Custodian, Registrar and Transfer Agent

The Fund has appointed The Bank of Bermuda, Limited as joint custodian responsible for the custody of the assets of the Fund in Bermuda and also to be Registrar and Transfer Agent of the Fund in Bermuda. The Bank of Bermuda (Guernsey) Limited will be joint custodian performing similar functions in Guernsey.

APPLICATIONS

The initial issue prices of Participating Shares are shown in the table below (along with the initial charge which may be payable to the Manager). Applications should be accompanied by a remittance to Holborn Currency Fund Limited to cover the full amount payable. The subscription lists will open at 10 am on Monday 9th January 1984 and will close at 5.00 pm on Friday 20th January 1984.

Applications for Managed Shares should be made on the application form enclosed with this prospectus (or telegraphically as explained below) and must be for the minimum amount shown in the table. Attention is drawn to the notes on the application form. Application forms for Deposit Shares are available from the Manager on request.

Minimum Subscription	Class	Initial Issue Price	Maximum Initial Charge
£1,000	Managed Sterling Shares	96p	4p
$2,500	Managed Dollar Shares	$9.60	$0.40
$25,000	US $ Deposit Shares	$10	Nil
£10,000	£ Sterling Deposit Shares	£1	Nil
DM100,000	Deutschemark Deposit Shares	DM50	Nil
SFr100,000	Swiss Franc Deposit Shares	SFr50	Nil
Yen 10 million	Yen Deposit Shares	Yen 5000	Nil

Acceptance of applications will be conditional upon the Participating Shares being admitted to the Official List by the Council of The Stock Exchange, London by Monday 23rd January 1984. Pending satisfaction of this condition, subscription moneys will be held by the Manager in a separate account and all interest will accrue for the benefit of the Fund. If the Participating Shares are not admitted to the Official List by 23rd January 1984 all subscription moneys will be returned.

Certificates representing the Participating Shares issued will be despatched within 28 days of allotment.

The right is reserved to reject any applications in whole or in part.

During the first year of incorporation, the Manager has undertaken to provide whatever financial support it deems necessary to any of the Currency Funds whose net asset value is insufficient, in the opinion of the Manager, to bear the liabilities attributable to that Fund without imposing an excessive burden upon its shareholders. At the end of that period the

Lloyds Bank senior posts

Mr John Davies has been appointed joint general manager in the branch banking division of LLOYDS BANK, covering the Midlands and South Wales. He succeeds **Mr Godfrey Turner** who retired on December 31. Mr Davies was an assistant general manager in corporate banking division, where he is succeeded by **Mr Sydney Shore**, regional general manager for the West Midlands since 1981.

★

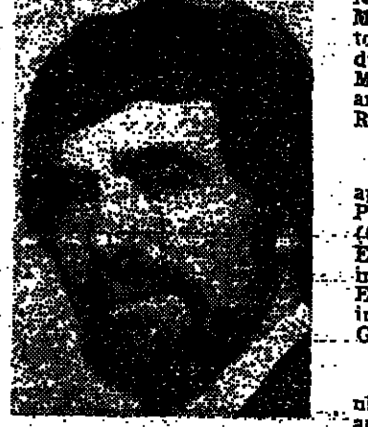
SWINTEX, a wholly-owned subsidiary of Butterfield-Harvey, has appointed **Mr Norman Shaw** as deputy managing director and **Mr Harry Houghton** as marketing director. Mr Shaw, production director for seven years, assumes full executive responsibility and will succeed **Mr J. W. O'Field** as managing director on his retirement on April 1. Mr O'Field will continue as technical and advisory consultant.

★

Mr George Clark, formerly head of Chase Manhattan's Eurobond trading desk, has joined MORGAN STANLEY INTERNATIONAL'S Eurobond trading desk.

★

Mr Geoffrey Bell, joint managing director of R. Mansell (City), one of three main subsidiaries, has been appointed assistant



Mr Geoffrey Bell, assistant group managing director, R. Mansell

group managing director of R. MANSELL, in addition to his existing role.

★

Mr David Somers has been appointed an investment manager, and **Mr Richard Lowman** has been appointed deputy investment manager of FRIENDS' PROVIDENT LIFE OFFICE.

★

After nearly four years with the BRITISH TECHNOLOGY GROUP **Mr Brian Willott**, the chief executive, will be leaving at the middle of this month and returning to the Department of Trade and Industry, where he will be taking over responsibility for information technology division. The timing of this move, which was foreshadowed early last year, has allowed **Mr Colin Barker**, the new chairman of the BTG, time to settle in. Mr Barker will be assuming the responsibilities of chief executive until the corporate plan requested by the Secretary of State for Trade and Industry has been completed.

★

Mr John S. Thomson has been appointed company secretary/group accountant of R. P. MARTIN.

★

Mr J. W. Webb and **Mr G. A. Dolby**, of Andrew Weir Insurance Co. have been appointed directors of FOLGATE INSURANCE CO.

★

Mr Robert Gunn has been appointed a director of FOSECO MINSEP. He is vice-chairman and chief executive of The Boots Company.

★

Mr P. Constable has been appointed to the board of NORMAN FRIZZELL (CONTRACTORS' INSURANCE BROKERS), a subsidiary of The Frizzell Group.

★

Mr Jack Napier has been appointed sales and marketing director of PROTECH INTERNATIONAL (UK). He succeeds **Mr Mike Wood** who has resigned to become deputy managing director of WIMPEY ME AND C. Mr Napier was previously sales and marketing director of Robert Jenkins Oil and Gas.

★

Mr Shungo Minato has been appointed managing director of PIONEER HIGH FIDELITY (GB). He was manager of the European marketing department in Japan, co-ordinating sales in Europe and factory production in Tokyo. He will be based at Greenford.

★

Mr Charles F. Williams, a technical director, has been appointed to the board of FULLER SMITH AND TURNER, west London independent

Mr Charles Williams, marketing and sales director, Fuller Smith & Turner

brewers, as marketing and sales director. He has been invited to join the social problems committee of the Brewers Society.

★

DOBSON PARK INDUSTRIES has appointed **Mr Lionel Ivor Herbert Dacey** as a director. Mr Dacey, who has held a number of senior appointments in the Dobson Park Group including managing director of Markon Engineering Company and deputy chairman of Kango Wolf Power Tools now becomes chairman and chief executive of Kango Wolf Power Tools.

★

Sir Victor Garland, until recently High Commissioner for Australia to the UK, has been appointed a director of PRUDENTIAL CORPORATION.

★

Mr T. E. R. Torrance has been appointed group technical director of STOTHERT & PITT. **Mr F. R. Ball**, who joined the Stothert & Pitt board at the

Mr T. E. R. Torrance, group technical director, Stothert & Pitt

beginning of last year, succeeds Mr Torrance as managing director of the crane division.

★

Mr John Lyles has joined the board of HILLARDS as a non-executive director. He is chairman of S. Lyles.

★

Mr Alan Liddle, newly-appointed to the board of WILTSHIER INTERIORS in London, is to become managing director. He succeeds **Mr Jeremy Wiltshier**, who becomes group director—business development.

★

POLYMARK INTERNATIONAL has appointed **Mr Michael C. A. Holt** as group financial director. He was with Otis Elevators as director of finance.

★

Three directors have been appointed at PRESSPART MANUFACTURING. **Mr Alex Anderson** becomes technical director. **Mr John Czarnecki** becomes works director, and **Mr David Walmsley** becomes

Mr John Davies, joint general manager, Lloyds Bank

financial director. **Mr Tony Hutchinson** and **Mr Bob Watts** relinquish their posts as technical director and marketing director respectively to expand their roles as joint managing directors.

★

Mr Martin Bennett, managing director of Chester-based Marcher Sound, has left the ILR station to become a director at CHARLES WALLS ADVERTISING where he will manage the newly-won Yorkshire Building Society account.

★

Mr Ron Cook, managing director of Bacofoil Containers, has been elected chairman for 1984 of the ALUMINIUM FOIL CONTAINER MANUFACTURERS ASSOCIATION in succession to **Mr Peter Holland**, managing director of Alcan Ekco.

★

MELVILLE STREET INVESTMENTS (EDINBURGH) fund, managed by the British Linen Bank, has appointed **Dr D. H. Pringle** and **Professor T. D. Patten** to the board. Dr Pringle is chairman and managing director of SEEL. Professor Patten, in addition to consultancy appointments, is a director of Pict Petroleum, United Wire Group, and Company Heat Exchange and chairman of Environment and Resource Technology.

★

Mr C. R. W. (Steve) Stephens has been appointed an associate director of TARMAC-SCHAL—a construction management company.

★

HUDSON'S BAY COMPANY has appointed **Mr Peter F. S. Nobbs** as vice-president and treasurer. He has been treasurer since 1979.

★

H. SAMUEL has appointed **Mr David Wood** as retail development director designate. He was marketing manager of Peter Lord.

★

SIMON ENGINEERING has appointed **Mr David Close** as group director of personnel. He replaces **Mr Laurie Hoggard** who has retired.

Holborn Currency Fund Limited

Continued

(4) No issue of Participating Shares (other than issues for cash at full net asset value) will be made within one year from the date hereof without the approval of the Fund in general meeting. If ten per cent or more of the authorised share capital remains unissued after the subscriptions made pursuant to this prospectus, no issue will be made otherwise than for cash at full net asset value which would effectively alter the control of the Fund without the prior approval of the Fund in general meeting.

2. Variation of Class Rights

(1) All or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Fund is being wound up) be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Resolution passed with a three-fourths majority of the votes cast at a separate general meeting of the holders of such shares. However, the holders of not less in the aggregate than ten per cent of the issued shares of that class may apply to the Supreme Court of Bermuda to have the variation cancelled.

(2) Each type of Participating Share shall not constitute a separate class of Participating Shares for the purposes of conferring rights on the holders of those shares.

(3) The rights attached to the Participating Shares are deemed to be varied by any variation of the rights attached to shares of any other class or by the creation or issue of any shares (other than Participating Shares) ranking pari passu with or in priority to them as respects rights in a winding up or rights to dividend.

(4) Subject to paragraph (2) above the rights attached to any class of shares having preferential rights are (unless otherwise expressly provided by the conditions of issue of such shares) deemed not to be varied by the creation or issue of further shares ranking pari passu therewith.

3. Subscription and Redemption Prices of Participating Shares

(1) The Subscription Price of Participating Shares is ascertained:–

(a) by valuing the deposits and other Assets of each Currency Fund as determined at close of business on the business day preceding subscription ("the Valuation Point"). Accrued interest and/or an appropriate proportion of the total return to be achieved by holding the relevant asset to maturity is included up to and including the Valuation Point. Assets denominated in foreign currencies are converted into the currency in which that Currency Fund is denominated on the basis of a spot rate of exchange for the purchase of the relevant foreign currency with that currency at the Valuation Point (or in the absence of such a rate, such rate as the directors deem appropriate)

(b) by adding thereto such sum as the directors may consider represents the appropriate provision for duties and charges which would be incurred if all the Assets held by that Currency Fund were being acquired at that date

(c) by deducting therefrom the liabilities of the Currency Fund

(d) by dividing this sum by the number of Participating Shares in that Fund

(e) an amount is then added to this sum in respect of fiscal charges arising in Bermuda

(f) the aggregate of this amount is then rounded up to the nearest 1/5 of 1 per cent.

(2) The Redemption Price of Participating Shares is ascertained:–

(a) by valuing the deposits and other Assets of each Currency Fund as determined at the Valuation Point. Accrued interest and/or an appropriate proportion of the total return to be achieved by holding the relevant asset to maturity is included up to and including the Valuation Point. Assets denominated in foreign currencies are converted into the currency in which that Currency Fund is denominated on the basis of a spot rate of exchange for the purchase of the currency in which that Currency Fund is denominated with the relevant foreign currency on the day of redemption (or in the absence of such a rate, such rate as the directors deem appropriate) and by deducting therefrom

(i) the liabilities of the Currency Fund and

(ii) such sum as the directors may consider represents the appropriate allowance for the costs of realisation which would be incurred if all the Assets of that Fund had been realised at that date.

(b) by dividing the resultant sum by the number of Participating Shares then in issue and deemed to be in issue in that Fund

(c) the resulting price is then rounded down if necessary, to the nearest 1/5 of 1 per cent

(d) the price so calculated may include the return of any remaining equalisation payment not previously paid out by way of dividend.

The Bye-Laws contain optional alternative valuation provisions should the Fund at any time receive requests for the redemption of more than 20 per cent of the Shares of any particular type in issue.

4. Conversion

Shares of any class (the "original class") may be converted on any Dealing Day into shares of another class (the "new class") either existing or determined by the Manager to be brought into existence. The number of shares of the new class to be allotted and issued on conversion will be determined in accordance (or as nearly as may be in accordance) with the following formula:–

$$NSH = \frac{OSH \times OSP \times EXR}{NSP}$$

where:–

NSH is the number of Participating Shares of the new class to be allotted;

OSH is the aggregate number of Participating Shares of the original class to be converted comprised in the Conversion Notice;

OSP is the Redemption Price per share of the original class ruling on the relevant Dealing Day;

EXR is the currency conversion factor. The Manager will normally sell on the Dealing Day the amount OSH x OSP for the currency of denomination of the new class and the currency conversion factor will be the actual rate of exchange obtained by it for this transaction adjusted if necessary for any expenses incurred. However, the Bye-Laws contain provisions enabling the directors to determine an alternative procedure should they consider this to be appropriate.

NSP is the Subscription Price per share for the new class ruling on the relevant Dealing Day.

5. Compulsory Redemption of Participating Shares

Participating Shares may be redeemed in the following circumstances:–

(i) If at any time after 7th December 1984 the value of the Assets of any Currency Fund (calculated as though for the purpose of computing the Redemption Price) on each Dealing Day falling within a period of twelve consecutive weeks is less than $1,000,000 the directors may by four week's notice to all holders of Participating Shares in that Fund given within eight weeks after the expiry of that twelve week period, redeem, on the Dealing day nominated in such notice at the Redemption Price on that day, all (but not some only) of the outstanding Participating Shares.

(ii) If at any time after 7th December 1988 the value of all the Funds' Assets (calculated as though for the purpose of computing the Redemption Price) on each Dealing Day falling within a period of twelve consecutive weeks is less than $10,000,000 the directors may by four weeks's notice to all holders of Participating Shares in the Fund given within eight weeks after the expiry of that twelve week period, redeem, on the Dealing Day nominated in such notice at the Redemption Price on that day, all (but not some only) of the outstanding Participating Shares.

(iii) All Participating Shares not previously redeemed will be redeemed by the Fund on the first Dealing Day in 2084 at the Redemption Price on that day.

6. Suspension of valuations and redemption

The directors may declare a suspension of valuations during the whole or part of any period during which by reason of the closure of or the suspension of trading on any money or foreign exchange market or stock exchange or a breakdown in any of the means normally employed in ascertaining the value of investments or for any other reason, the value of any of the Fund's investments cannot, in the opinion of the directors, be reasonably ascertained, or if circumstances exist as a result of which, in the opinion of the directors, it is not reasonably practicable to realise or remit a material proportion of the Fund's investments.

The issue and redemption of Participating Shares will be suspended during any period when valuations are suspended. Notice of the imposition or lifting of the suspension of valuations will be published in the Financial Times.

Applicants for Participating Shares and shareholders wishing to redeem Participating Shares will be notified of the imposition and raising of any suspension and may withdraw their applications and requests for redemption so long as such suspension subsists. Unless withdrawn, applications for subscription and redemption will be considered on the first Dealing Day following the lifting of a suspension.

7. Directors

(1) There are no existing or proposed service agreements between the Fund and any of its directors. A director is required to hold at least one share by way of qualification. There are no provisions requiring directors to retire at any specified age.

(2) Each director is entitled to director's fees of $1,500 per annum making a total for director's fees of $10,500. However, it is the policy of the Fund to obtain a waiver of such fees from any director who is also an employee of Prudential Corporation p.l.c. or any of its subsidiaries. The Bye-Laws of the Fund contain provisions to the following effect:–

(a) The directors shall be entitled to such remuneration as may be voted to them by the Fund in General Meeting. Such remuneration shall be deemed to accrue from day to day.

(b) The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings or class meetings of the Fund or in connection with the business of the Fund. The directors may grant extra remuneration to any director who performs any special or extra services to or at the request of the Fund.

(c) A director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of director on such terms as to tenure of office and otherwise as the directors may determine.

(d) No director shall be disqualified from contracting with the Fund and no contract with the Fund in which any director is interested shall be liable to be avoided, nor shall any director be liable to account to the Fund for any profit realised by any such contract by reason of holding that office, but the director must declare the nature of his interest to the board of directors.

(e) Any director may act by himself or through his firm in a professional capacity for the Fund (other than as auditor) and he or his firm shall be entitled to remuneration for such professional services.

(f) A director may not vote in respect of any contract or arrangement or other proposal in which he has a material interest (other than by reason of his holding securities of the Fund), nor in these circumstances may he be counted in a quorum, except in respect of any resolution concerning the giving of any security or indemnity to him or a third party in respect of money lent or obligations incurred by him, or by the Fund for which he has assumed responsibility, or any proposal concerning an offer of securities by the Fund in which he is interested as a participant in the underwriting or any proposals concerning any other company in which he is interested provided that he is not beneficially interested in one per cent or more of any class of the equity share capital of that company.

(g) Any director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Fund or in which the Fund may be interested, and (unless otherwise agreed) no such director shall be accountable for any remuneration or other benefits received by him in respect thereof.

(h) No directors are interested beneficially or otherwise in the Fund.

(i) No director has any interest, direct or indirect in any assets which have been acquired, disposed of by or leased to the Fund or are proposed to be acquired, disposed of by or leased to the Fund.

8. Manager

The Bye-Laws of the Fund contain provisions to the following effect:–

(i) The directors shall appoint a Manager of the Fund and may entrust to and confer upon the Manager any of the functions, duties, powers and discretions exercisable by them as directors (other than the power to make calls and to forfeit shares) with power to assign, sub-contract or delegate their duties.

(ii) The terms of any agreement entered into by the Fund appointing any Manager (other than the original agreement appointing the Manager to be the first Manager entered into prior to the initial issue of Participating Shares) and any variations made after such issue of Shares to any such agreement then in force (including such original agreement), shall be subject to approval by a resolution passed by the majority of the holders for the time being of the Participating Shares present or represented by proxy at a class meeting PROVIDED THAT no such approval shall be required, if:–

(a) the terms of any new agreement entered into for the appointment of a new Manager do not differ materially (as determined by the directors) from those in force with the former Manager on termination of its appointment, or

(b) the Manager, the Fund and the Custodian each certify that any such variation is required only to enable the affairs of the Fund to be more conveniently or economically managed or otherwise to the benefit of the holders of the Participating Shares and does not prejudice the interests of the holders for the time being of Participating Shares or any of them and does not alter the fundamental provisions or objects of the management agreement nor operate to release the Manager from any responsibility to the Fund.

9. Custodians

The Bye-Laws of the Fund contain provisions:–

(i) to the effect that the directors shall appoint a person, firm or corporation to be a Custodian or joint Custodian to hold the assets of the Fund and perform such other duties as the directors may (with the agreement of the Custodian and the Manager) determine; and

(ii) regarding agreements between the Fund and the Custodian in similar terms to those regarding agreements with the Manager and described above.

10. Indemnities

The Bye-Laws of the Fund contain provisions indemnifying and exempting the directors, Secretary, Manager and other officers and servants of the Fund from liability in the discharge of their duties other than that resulting from their wilful acts or defaults.

11. Borrowings

The directors may exercise the powers of the Fund to borrow but shall restrict borrowings so as to secure (so far as they can do so by such restriction) that the borrowings of the Fund and its subsidiaries (if any) shall not (except with the consent of the Fund in general meeting) exceed the amount of the value of the assets of the Fund determined in accordance with its Bye-Laws.

12. Report of the Auditors

The following is the text of a report received from the Fund's Auditors:

3rd January 1984

"The Directors,
Holborn Currency Fund Limited

Dear Sirs

Holborn Currency Fund Limited was registered under the laws of Bermuda on 7th December 1983. As at the date of this letter it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully

Deloitte Haskins & Sells	Deloitte Haskins & Sells
Chartered Accountants	Chartered Accountants
Hamilton, Bermuda	St Peter Port, Guernsey

13. Material Contracts

The following contracts have been entered into since the incorporation of the Fund and prior to the date of this prospectus which are or may be material.–

(a) Management Agreement dated 3rd January 1984 between the Fund and the Manager whereby the Fund appointed the Manager, subject to the overall supervision of the directors, to manage the Fund's business, investments and administrative affairs. This Agreement is determinable by the Fund on one year's notice and by the Manager on six months' notice.

(b) Custodian Agreement dated 3rd January 1984 between the Fund and the Custodians whereby the Custodians were appointed Custodians. This Agreement is determinable by the Fund or by the Custodians on six months' notice.

(c) Registrars Agreement dated 3rd January 1984 between the Fund and the Registrars whereby the Registrars were appointed Registrars. This Agreement is determinable by the Fund or by the Registrars on six months' notice.

(d) Secretarial Agreement dated 3rd January 1984 between the Fund and A. S. & K. Services Ltd. whereby the services of the Secretary will be made available to the Fund. This Agreement is determinable by the Fund or by A. S. & K. Services Ltd. on three months' notice.

(e) Investment Advisory Agreement dated 3rd January 1984 between the Manager, the Investment Advisers and the Fund. This Agreement is determinable by the Manager or by the Investment Advisers on six months' notice.

Each of the Agreements above contains provisions whereby the Fund exempts and indemnifies the other parties from liability not due to gross negligence or wilful default.

14. Miscellaneous

(a) The Fund is not engaged in any litigation or arbitration and the directors are not aware of any litigation, arbitration or claims pending or threatened against the Fund.

(b) The minimum amount which in the opinion of the directors must be raised in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 of Great Britain is £250,000 (the whole of which must be raised by this issue) and is made up as follows:–

(i) Purchase price of property, nil

(ii) Preliminary expenses £160,000 (to be met initially by the Manager, see "Fees and Charges" above)

(iii) Repayment of moneys borrowed for the foregoing, nil; and

(iv) Working capital £250,000

(c) The Fund has not established a place of business in Great Britain.

(d) Mr Newmarch is a director of the Investment Advisers, who are party to the Investment Advisory Agreement and who will receive a fee for their services from the Manager. Mr Lines is Chief General Manager of The Bank of Bermuda, Limited. He and Mr Rowland are directors of The Bank of Bermuda (Guernsey) Limited. Both companies are parties to the Custodian and Registrar Agreement and will receive a fee for their services. Mr Campbell is a partner in Appleby, Spurling & Kempe and Mr Littlewood is a partner in Rowe & Pitman. Both firms will receive fees for their professional services in connection with the issue. Mr Campbell is also a director of A. S. & K. Services Ltd., which is a party to the Secretarial Agreement and which will receive a fee for its services.

(e) Save as disclosed in (d) above no director of the Fund has any interest, direct or indirect, in the promotion of, or in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Fund since the date of its incorporation and no director of the Fund has a material interest in any contract or arrangement entered into by the Fund which is significant in relation to the business of the Fund.

(f) No-one including any of the directors has a substantial interest in the share capital of the Fund.

(g) The Fund does not have any subsidiaries.

(h) No share capital of the Fund is under option or is agreed conditionally or unconditionally to be put under option and.

(i) save for the issue of Management Shares and for the proposed issue of Participating Shares no capital of the Fund has been issued nor is any capital proposed to be issued either for cash or fully or partly paid up otherwise than in cash; and

(ii) save as disclosed under "Fees and Charges" no commissions, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue or sale of any capital of the Fund.

(i) Messrs Deloitte, Haskins & Sells have given and have not withdrawn their written consent to the issue of this prospectus with their report included in the form and context in which it appears.

(j) The provisions of section 50 of the Companies Act 1948 of Great Britain (other than the penal provisions) so far as applicable (having regard to Section 419 of that Act) shall apply to this issue.

15. Documents available for inspection

Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays and public holidays excepted) until 5.00 pm. 20th January 1984 at the registered office of the Fund and at the offices of Prudential Corporation p.l.c. 142 Holborn Bars London EC1N 2NH

(a) the Memorandum and Bye-Laws of the Fund
(b) the material contracts described above
(c) the Companies Act, Bermuda 1981
(d) the above-mentioned report and consent of Deloitte Haskins & Sells.

TELEGRAPHIC APPLICATIONS

Applicants who wish to remit the subscription moneys by telegraphic transfer must comply with the following procedure:-

1. Send Telegraphic Application Form using the exact wording shown below.
2. Instruct your Bank to telegraph the money to any one of the banks listed below for value on the Dealing Day. This must be carried out on an "all costs to remitter" basis. The Bank must quote the reference number contained in your telexed application form.
3. Immediately after sending the telexed application form, complete and send the Application Form attached to the Prospectus.
4. Moneys transferred by telegraphic transfer will be regarded as having been received upon confirmation from the receiving Bank. You are advised to allow at least 24 hours from the time of the transfer for this confirmation to be received.

FORM OF APPLICATION

To:- HOLBORN CURRENCY FUND LIMITED
c/o: THE BANK OF BERMUDA (GUERNSEY) LIMITED Telex No: 4191502
OR THE BANK OF BERMUDA LIMITED Telex No: BA 3212

"I/WE APPLY TO INVEST IN [state which Currency Fund] SHARES OF HOLBORN CURRENCY FUND LIMITED SUBJECT TO THE PROSPECTUS DATED 3RD JANUARY 1984, ITS MEMORANDUM OF ASSOCIATION AND BYE-LAWS. PAYMENT OF [state amount and currency] WILL BE MADE BY TELEGRAPHIC TRANSFER FROM [state name and address of paying bank] FOR VALUE ON [state Dealing Day] TO [state correspondent bank and city – see below]. THE FOLLOWING REFERENCE WILL BE QUOTED ON THE T T [state reference on application form, or newspaper prospectus or other reference given by the Manager].

PLEASE REGISTER THE SHARES IN THE NAME OF [if different from name and address below].

FROM: [name and address]

CORRESPONDENT BANKS

STERLING
(Minimum £10,000)
Midland Bank p.l.c., 13, High Street, St. Peter Port, Guernsey, Channel Islands. Account: The Bank of Bermuda (Guernsey) Limited. Number 2 Account Number 71237934. Ref. [State Reference on Telegraphic Application]

US DOLLARS
Manufacturers Hanover Trust Company, International Division, 4, New York Plaza, New York, N.Y. 10015, U.S.A. Account: The Bank of Bermuda (Guernsey) Limited. Account Number 544-7-09616. Ref. [State Ref.]

JAPANESE YEN
Manufacturers Hanover Trust Company, Asahi-Tokai Building, 6-1, 2 Chome, Otemachi, Chiyoda-Ku, Tokyo, Japan. Account: The Bank of Bermuda (Guernsey) Limited. Account Number 223362050. Ref. [State Ref.]

DEUTSCHEMARKS
Manufacturers Hanover Trust Company, Bockenheimer Landstrasse 51-53, D-6000 Frankfurt M.1, West Germany. Account: The Bank of Bermuda (Guernsey) Limited. Account Number 0101-050000-101. Ref. [State Ref.]

SWISS FRANCS
Manufacturers Hanover Trust Company, Stockerstrasse 33, 8027 Zurich, Switzerland. Account: The Bank of Bermuda (Guernsey) Limited. Account Number 022509-500. Ref. [State Ref.]

Holborn Currency Fund Limited

APPLICATION FORM

When completed this Form should be sent to Holborn Currency Fund Limited at PO Box 61, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands (or Bank of Bermuda Building, Front Street, Hamilton 5-31, Bermuda), together with a cheque or banker's draft for the amount payable on application.

The subscription lists will open at 10.00 a.m. on Monday 9th January 1984 and will close at 5.00 p.m. on Friday 20th January 1984.

Offer For Subscription of up to 100,000,000 Participating Redeemable Preference Shares of US$0.01 each ("Participating Shares") of

Holborn Currency Fund Limited

To: Holborn Currency Fund Limited ("the Fund")
I/We apply for:

Tick Box	Currency Fund	Subscription Amount	Minimum Subscription
	Managed Sterling Shares	£1 per share (made up of the Initial Issue Price of 96p per share and an initial charge of 4p per share)	£1,000
	Managed US Dollar Shares	US$10 per share (made up of the Initial Issue Price of $9.60 per share and an initial charge of $0.40 per share)	$2,500

Written Applications Only

I/We enclose a *cheque/banker's draft for *£/$______ (insert amount) payable to Holborn Currency Fund Limited.
*Delete as appropriate.

Confirmation of Telegraphic Application Only

I/We confirm that payment of ______ (state currency and amount) will be made to ______
______ (state name of receiving bank) for value on ______ (state value date) through ______ (state name of paying bank).

I/We hereby apply for the issue to me/us of such number of Participating Shares of the Fund as such remittance is sufficient to purchase. If my/our remittance is not in the currency of denomination of the Participating Shares, I/We authorise the Manager to arrange for the sale at my/our risk of the remittance for the currency of denomination and to apply that sum as authorised above.

This application is made solely on the basis of the Prospectus dated 3rd January 1984 and is made subject to the Memorandum of Association and Bye-Laws of the Fund.

I/We hereby request you to place my/our name(s) on the Register of Members of the Fund as holder(s) of such of the Participating Shares as are allocated to me/us and/or to send me/us a cheque for any money returnable.

I/We hereby authorise you to send any Share Certificate and/or any moneys returnable by post at my/our risk to the first-named applicant below:

EITHER * I/We hereby request you to remit any dividends payable on the holding of Shares registered in my/our name(s).
OR * I/We hereby request you to reinvest any dividend in further Shares of the same type.
* Delete as appropriate. If no deletion is made, any dividends will be remitted and will not be reinvested.

Joint Applicants (if any):

Full name of Applicant No 1 (BLOCK LETTERS)	Full name of Applicant No 2 (BLOCK LETTERS)
Mr/Mrs/Miss: ______	Mr/Mrs/Miss: ______
Address: ______	Address: ______
Signature: ______	Signature: ______
Date: ______	Date: ______

NOTES:
(1) Arrangements can be made with the Bank of Bermuda for shares to be held under their Nominee facility or under a trust in Bermuda. Please tick here if you require further details. ☐
(2) In the case of joint applicants, all must sign. There may be up to four joint applicants. If there are more than two joint applicants, details of the additional applicant(s) must be provided on a separate sheet, signed by the person(s) in question. The separate sheet must be pinned to the Application Form.
(3) A corporation must execute this Application Form under its Common Seal or under the hand of a duly authorised officer whose capacity should be stated.

Dated 3rd January 1984

Reference No. DT 7/1

Wall St nearing record peak

SLIGHTLY HIGHER levels developed in *early afternoon* trading on Wall Street yesterday, when the Dow Jones Industrial Average was nearing its record closing levels.

The DJ Average, which advanced over 30 points in the past two days, was up another 2.20 to 1,284.44 by 1 pm—its best closing level was 1,287.20, recorded November 29 1983. The NYSE All Common Index, at $97.68, gained 34 cents on the day and $2.50 on the week. In the breader market, advancing issues led losers about nine-to-five. Volume, however, dropped 8.59m shares to 103.68m compared with 1 pm Thursday.

Some operators expected profit-taking to be more substantial, particularly because the Nation's Money Supply will be reported later in the day.

Last week the Basic Money Supply rose $1.6bn. But economists are generally expecting a $1bn decline this week.

ATT "When Issued" led the active list, up $⅛ to $18¼ on volume of 2.3m shares.

Gulf Oil rose $1⅞ to $45⅞ on heavy volume. Analysts said there has been speculation that Pennzoil, apparently snubbed by Getty Oil, might be looking for a new takeover target.

Levi Strauss, which Thursday predicted disappointing first quarter profits, fell $2⅜ to $36⅜.

Waste Management further declined $2¼ to $38¼—it said its 1983 profits might be below expectations. **Best Products** were down another $1⅜ to $14⅜.

THE AMERICAN SE Market Value Index put on 0.58 to 227.45, making a rise of 4.44 on the wek. Volume 5.78m (6.06m) shares.

Massey-Ferguson advanced $1¼ *to $7—it expects to return to* profitability in 1984.

Alcan firmed $¾ to $50¾—analysts said its plan to acquire Atlantic Richfield's aluminum assets could cost $U.S.1bn, but believed such a price would represent a bargain.

Mitel were up $¾ to $19⅝—it reported a return to profitability in the third quarter after losses in the two previous quarters.

Canada

Prices continued higher at mid-session, with the Toronto Composite Index up 7.2 to 2,585.2, Metals and Minerals 0.9 to 2,521.3, Utilities 1.09 to 340.64, Papers 0.73 to 233.74 and Banks 0.36 to 487.11. *But Golds lost 47.1 to* 4110.8 and Oil and Gas shed 4.9 to 3441.6.

Closing prices for North America were not available for this edition.

Tokyo

Share prices rose for the seventh successive day and ended at record levels after fluctuating widely in hectic trading.

The Market Average finished 14.39 up at a further record closing high of 9,961.25, after touching 9,988.11. Volume 720m *(607m) shares.*

Foreign investors, stimulated by the price rises and record turnover on Wall Street Thursday, led the market in the morning, buying "Big Capital" shares, "low-priced" stocks and issues with good results.

Massive profit-taking emerged as the average approached the 10,000 level.

Buying interest revived again *towards the close, with Domestic* investors encouraged by the market's resilience despite the large-scale profit-taking.

Electric Power shares rose on reports Oman offered to reduce the price of the Oil it sells Japan from the present $29.06 a barrel.

Tokyo Electric Power put on Y30 to 1,200, as did **Kansai Electric Power** to 1,040.

Germany

Shares shrugged off early profit taking and headed steadily higher, closing near the day's best levels in active trading.

Dealers said markets were nervous in view of the divided opinion whether the Bundesbank may tighten policy in face of the strong dollar. But news mid-session of a 2 per cent rise in *new orders in the Manufacturing* Industries during November offset these fears and sent shares climbing.

The mid-session calculations of the Commerzbank Index missed some of the rise but still showed the market at a new peak. It rose to 1,063.6, some 0.9 above Thursday, the previous record.

The rise in Industry Orders was double the rate of increase shown in October and convinced wavering optimists that the economic recovery in West Germany is continuing. Although all the rise came from Domestic orders, New Export bookings were still 11.9 per cent up from the year-ago level.

Among Motors, VW were up DM 2.30 to 231.80, while a late selling order took **Daimler** to DM 638, down 3.2.

Electricals had **Siemens** up DM 2.20 to 392.20.

Chemicals ended generally higher despite Thursday's news that the Bayer chairman sees difficulty in repeating 1983's good profits. **Bayer** edged up DM 0.50 to *176.80.*

Veba saw good demand ahead of the Government's share sale, ending up DM 1 at 175.

In Engineerings, **Linde** came back DM 3.5 to 413.5, following Thursday's DM 18 advance.

Australia

Wall Street's second strong gain this week coupled with *firmer base metal prices* gave shares a boost in active trading on Australian markets.

The All Ordinaries Index closed 2.9 up at 786.4. Rises led declines by about ten-to-seven.

Diversified Mines were mixed.

Precious Metals also were mixed. **GMK** lost 50 cents to $A10 and **Central Norseman** shed 20 cents to $A6.70, while **Emperor** rose 10 cents to $A3.05 and ***Poseidon*** 5 cents to $A4.65.

Among Oil and Gas issues, **Ampol Exploration** and **Vamgas** each shed 10 cents to $A4.00 and $A3.80 respectively.

Industrial groups to gain ground included Banks, Insurance, Property Trusts, Paper and Packaging and Alcohol and Tobaccos.

Philip Morris and **Rothmans** each gained 30 cents to $A6.50 and A$10.30, respectively.

Hong Kong

Stock prices closed firm and the Hang Seng Index surged over the 900 mark to close up 28.57 at 909.86, its highest level since September 16, 1983, when it closed at 916.11. In the week preceding the Hong Kong dollar's collapse to a record low of 9.52 to the U.S. unit.

Brokers attributed the upsurge to the general bullish trend on overseas markets.

They said the local market was catching up after being left behind in 1983 because of political uncertainty over Hong Kong's future plus a weak local currency.

Brokers cited active buying from Fund Managers, but added a sign of "small" investors re-entering the market is needed for further gains.

The Institutional moves were preparatory to the flotation of a number of companies in the near future.

Paris

Share prices rose for the third successive day in active trading, with values boosted by the strong recent performance of other major Stock Exchanges.

The Bourse was also bouyed by investment in stocks of interest earned from Bonds.

All sectors rose.

In firmer Foods, **Carrefour** moved up Frs 34 to 1,420 and **Pernod-Ricard** Frs 20 to 820.

In higher Constructions, **Dumez** increased Frs 15 to 890 and **Bouygues** Frs 11 to 72. Among Electricals, **CIT-Alcatel** advanced Frs 35 to 1,445 while, in Oils, **Esso** increased Frs 24 to 597.

Among Foreigns, Americans, Oils and Metals were firmer, but Germans were mixed.

Singapore

Higher in heavy trading. The Straits Times Industrial Index rose 3.68 to yet another record high of 1027.93.

There was a lot of window dressing on a wide front. Selectively shares continued to be attractive to investors. However, there was some profit-taking that lowered the prices of a few shares.

On a turnover of 32m shares, there were 113 rises, 61 falls and 161 remained unchanged.

Indices

	Long Gov. Bond yield	11.74	11.76	11.78	10.43

N.Y.S.E. ALL COMMON

Jan. 5	Jan. 4	Jan. 3	Dec. 30	1983-84 High	1983-84 Low
97.34	96.17	94.69	95.18	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Jan. 5	Jan. 4	Jan. 3
Issues Traded	2,017	2,017	1,989
Rises	1,336	1,280	796
Falls	347	452	819
Unchanged	334	285	374
New Highs	122	63	35
New Lows	6	11	16

MONTREAL	Dec. 6	Jan. 4	Jan. 3	Dec. 30	1983-84 High	1983-84 Low
Industrial	449.49	444.17	443.08	443.73	488.90 (26/8)	331.18 (4/1/83)
Combined	451.99	427.61	426.46	427.40	441.29 (28/8)	326.12 (4/1/83)
TORONTO Composite	2578.0	2555.6	2551.5	2552.30	2598.2 (26/9)	1949.8 (4/1/83)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
AT & T New	3,751,600	18⅛	+ ⅛	Gulf & Western	1,612,700	32	+ ⅛
AT & T Old	3,035,300	65⅛	+ ¾	Waste Mangmt.	1,529,500	40⅛	−6⅛
Merrill Lynch	2,767,600	34⅛	+2⅝	Chrysler	1,458,400	29⅝	+ ⅛
Tandy	2,366,700	37½	−1⅛	Fed. Nat. Mort.	1,412,400	24½	+ ⅛
Best Products	1,910,000	15⅜	−3½	Genl. Motors	1,336,100	77⅞	+1⅛

CANADA

Stock	Jan. 5	Jan. 4
AMCA-Intl	27	26⅝
Abitibi	25⅝	25⅝
Agnico Eagle	16⅞	17⅛
Alberta Energy	18½	18⅜
Alcan Aluminium	50¼	49½
Algoma Steel	29½	30¼

DENMARK

Jan. 6	Price Knr %	+ or −
Aarhus Olie	480	+5
Andelsbanken	361	+17
Baltica Skand	660	+10
CopHandelsbank	350	+19
D. Sukkerfab	796	+16
Danske Bank	382	+20

NETHERLANDS

Jan. 6	Price Fls.	+ or −
ACF Holding	205	−3
Aegon	130.5	−3.5
Ahold	218.5	+3.5
AKZO	105.1	−2.9
ABN	396	−5
AMEV	165	−4

AUSTRALIA

Jan. 6	Price Aust. $	+ or −
ANZ Group	6.08	+0.02
Acrow Aust	1.5	
Alliance Oil D.	0.85	+0.03
Ampol Pet	1.95	+0.05
Aust Cons Ind	1.90	+0.02
Aust. Guarant	3	
Aust. Nat. Inds	2.68	−0.02

JAPAN (continued)

Jan. 6	Price Yen	+ or −
Konishiroku	642	−1
Kubota	312	+2
Kumagia	450	−1
Kyoto Ceramic	9,880	−100
Maeda Const	509	
Makino Milling	1,550	+30
Makita	1,320	+50
Marubeni	285	+6

FOREIGN EXCHANGES

Dollar at record high

The dollar continued to improve in currency markets yesterday to touch record levels against several major currencies. Trading was thin for much of the day, interspersed with occasional flurries of activity. The dollar remained underpinned by fears of higher U.S. interest rates and continued Middle East tension. This pushed it to a record level against the French franc, sterling, the Italian lira and most Scandinavian currencies. Both the Dutch guilder and D-mark sank to 10-year lows and there appeared to be little attempt by central banks to stem the dollar's rise.

However recent trends have tended to suggest that central banks may wait for the dollar to pause for breath and then actively encourage some downward correction. The dollar closed at DM 2.8100 up from DM 2.7990 and SwFr 2.2390 from SwFr 2.2340. It finished at FFr 8.5725 from FFr 8.54 against the French franc and broke through the L1700 level to finish at L1700.5, up from L1695.5. The dollar's trade weighted index according to Bank of England figures, failed to reflect the dollar's continued rise, closing unchanged from Thursday at 131.3.

The yen remained very firm, with the dollar slipping to Y232.65 from Y232.85.

Sterling's index fell to its lowest level since April last year, finishing at 81.7, down from 81.9 on Thursday. It was 81.7 at noon and at the opening. Against the dollar it fell to a record closing low of $1.4065-1.4075, a loss of 55 points from Thursday. Against the D-mark it was unchanged at DM 3.9550.

£ in New York—Latest

	Jan 6	Previous
Spot	$1.4090-4100	$1.4100-4110
1 month	0.05-0.08 dis	0.08-0.09 dis
3 months	0.20-0.24 dis	0.22-0.25 dis
12 months	0.85-1.00 dis	0.94-1.00 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4025-1.4100	1.4065-1.4075	0.50-0.10c dis	−0.63	0.22-0.27ds	−0.69
Canada	1.7540-1.7610	1.7570-1.7580	0.02-0.12c dis	−0.47	0.17-0.27ds	−0.50
Nethlnd.	4.41½-4.44½	4.43-4.44	1½-⅞c pm	3.04	3¾-3¼ pm	3.15
Belgium	80.15-80.65	80.40-80.50	5-15c dis	−1.49	33-43 dis	−1.88
Denmark	14.22-14.28	14.26½-14.27½	2¼-4¼ore dis	−3.04	4-5¼ dis	−1.30
Ireland	1.2700-1.2770	1.2725-1.2735	0.24-0.34p dis	−2.73	0.80-0.90ds	−2.67
W. Ger.	3.93½-3.96½	3.95-3.96	1½-⅞pf pm	3.41	3½-3 pm	3.29
Portugal	189.50-192.00	190.75-191.25	135-315c dis	−14.14	450-1000	−15.18
Spain	224.75-225.75	225.10-225.30	155-280c dis	−9.46	520-585dis	−9.81
Italy	2381½-2395½	2391-2393	13¾-15¾lire dis	−7.40	44-46 dis	−7.52
Norway	11.04-11.08	11.06½-11.07½	3¾-4½ore dis	−4.47	9½-10½ dis	−3.68
France	12.01½-12.06½	12.05¼-12.06¼	3-4c dis	−3.48	11¾-12¾dis	−4.06
Sweden	11.45-11.50	11.48½-11.49½	1¾-2¾ore dis	−2.15	5¾-6¾ dis	−2.11
Japan	326½-328½	327-328	0.85-0.75y pm	2.93	2.40-2.25 pm	2.84
Austria	27.70-27.90	27.82-27.87	7⅞-5⅞gro pm	2.91	21-16 pm	2.86
Switz.	3.13½-3.16½	3.14¾-3.15¾	1⅞-1⅝c pm	6.18	4½-4 pm	5.39

Belgian rate is for convertible francs. Financial franc 81.75-81.85. Six-month forward dollar 0.38-0.43c dis. 12-month 0.90-1.00c dis.

THE DOLLAR SPOT AND FORWARD

Jan 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4025-1.4100	1.4065-1.4075	0.05-0.10c dis	−0.63	0.22-0.27dis	−0.69
Ireland†	1.1040-1.1085	1.1045-1.1055	0.22-0.18c pm	2.17	0.60-0.52 pm	2.02
Canada	1.2490-1.2510	1.2490-1.2495	0.02c pm-par	0.10	0.07-0.04 pm	0.17
Nethlnd.	3.1445-3.1510	3.1490-3.1510	1.08-0.98c pm	3.89	3.06-2.96 pm	3.83
Belgium	57.10-57.20	57.18-57.20	3-4c dis	−0.73	15-17 dis	−1.12
Denmark	10.13½-10.14¾	10.14¼-10.14¾	1.35-1.85ore dis	−1.89	1.35-1.85dis	−0.63
W. Ger.	2.7990-2.8130	2.8095-2.8105	0.97-0.92pf pm	4.04	277-272 pm	3.91
Portugal	135.75-136.35	135.75-136.25	90-210c dis	−13.35	300-680	−14.54
Spain	159.75-160.30	159.90-160.05	105-125c dis	−8.62	335-355 dis	−8.62
Italy	1700-1702	1700-1701	9-9½lire dis	−6.52	28-29 dis	−6.70
Norway	7.8650-7.8760	7.8650-7.8700	2.30-2.60ore dis	−3.74	5.90-6.10dis	−3.10
France	8.5450-8.5800	8.5700-8.5750	1.85-2.00c dis	−2.70	7.10-7.50dis	−3.41
Sweden	8.1600-8.1705	8.1650-8.1700	0.85-1.05ore dis	−1.40	2.85-3.05dis	−1.93
Japan	232.10-233.30	232.60-232.70	0.71-0.67y pm	3.56	2.05-2.00 pm	3.48
Austria	19.74-19.80	19.75½-19.78½	6.50-5.50gro pm	3.60	18-15 pm	3.34
Switz.	2.2300-2.2400	2.2385-2.2395	1.25-1.20c pm	6.57	3.42-3.37 pm	6.08

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.13-58.18.

OTHER CURRENCIES

Jan. 6	£	$		£ Note Rates
Argentina Peso	33.30-33.57	23.81-23.84	Austria	27.75-28.05
Australia Dollar	1.5445-1.5475	1.0980-1.0995	Belgium	81.25-82.05
Brazil Cruzeiro	1,377.45-1,386.48	979-984	Denmark	14.19-14.33
Finland Markka	8.3570-8.3600	5.9335-5.9375	France	12.00-12.12
Greek Drachma	142.12-142.72	101.55-101.70	Germany	3.93¼-3.97¼
Hong Kong Dollar	10.9690-10.9810	7.7990-7.8010	Italy	2375-2405
Iran Rial	125¼*	88.25*	Japan	326-331
Kuwait Dinar (KD)	0.41275-0.41278	0.29305-0.29320	Netherlands	4.40¼-4.44¼
Luxembourg Fr.	80.40-80.50	57.18-57.20	Norway	11.03-11.13
Malaysia Dollar	3.2940-3.2990	2.3420-2.3435	Portugal	187-203
New Zealand Dlr.	2.1620-2.1670	1.5370-1.5395	Spain	222¼-232¼
Saudi Arab. Riyal	4.9225-4.9285	3.5000-3.5015	Sweden	11.42-11.52
Singapore Dollar	2.995-3.000	2.1295-2.1310	Switzerland	3.13¼-3.16¼
Sth. African Rand	1.7600-1.7700	1.2560-1.2590	United States	1.39¾-1.41¾
U.A.E. Dirham	5.1645-5.1700	3.6720-3.6730	Yugoslavia	202-221

* Selling rates.

EXCHANGE CROSS RATES

Jan. 6	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.407	3.955	327.5	12.058	3.153	4.435	2392.	1.758	80.45
U.S. Dollar	0.711	1.	2.810	232.7	8.573	2.239	3.151	1701.	1.249	57.19
Deutschemark	0.253	0.356	1.	82.81	3.049	0.797	1.121	604.8	0.444	20.34
Japanese Yen 1,000	3.053	4.298	12.08	1000.	36.82	9.626	13.54	7304.	5.366	245.6
French Franc 10	0.829	1.167	3.280	271.6	10.	2.615	3.678	1984.	1.458	66.72
Swiss Franc	0.317	0.446	1.255	103.9	3.825	1.	1.407	758.8	0.557	25.52
Dutch Guilder	0.225	0.317	0.892	73.84	2.719	0.711	1.	539.3	0.396	18.14
Italian Lira 1,000	0.418	0.588	1.653	136.9	5.041	1.318	1.854	1000	0.735	33.63
Canadian Dollar	0.569	0.801	2.250	186.3	6.861	1.794	2.523	1361.	1.	45.78
Belgian Franc 100	1.243	1.749	4.916	407.1	14.99	3.919	5.513	2973.	2.185	100.

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £800m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £226m and Exchequer transactions a further £325m. There was also a rise in the note circulation of £160m and banks brought forward balances £100m below target.

The Bank gave assistance in the morning of £478m, comprising purchases of £1m of Treasury bills and £28m of eligible bank bills in band 1 (up to 14 days) at 9⅛ per cent and £86m of eligible bank bills in band 2 (15-33 days) at 9 per cent. In band 3 (34-63 days) it bought £22m of eligible bank bills at 8⅞ per cent and in band 4 (64-91 days) £14m of Treasury bills, £13m of local authority bills and £314m of eligible bank bills all at 8⅞ per cent.

Further help was given in the afternoon of £330m. This comprised purchases of £11m of eligible bank bills in band 1 at 9⅛ per cent and £103m in band 2 at 9 per cent. In band 3 it bought £33m of eligible bank bills at 8⅞ per cent and in band 4 £9m of Treasury bills, £11m of local authority bills and £163m of eligible bank bills, all at 8⅞ per cent. The bank also provided a late round of assistance worth around £20m, making a grand total of £828m.

UK interest rates showed very little change despite sterling's weaker trend. Three-month interbank money was unchanged at 9⅛ per cent while three-month eligible bank bills were bid at 8⅞ per cent, the same as Thursday. Weekend money opened at 9-9⅛ per cent and rose to 9⅛-9¼ per cent before touching a high of 9⅜-9½ per cent. Rates eased after the first round of assistance to 9⅛ per cent and traded between 8⅞ per cent and 9⅛ per cent before slipping away towards the close to 5 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 6 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-9⅛	9-9¼	5-9⅛	5-9⅛	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9⅛-9¼	9-9⅛	9¼-9⅜	9	—	—	—	—	—
One month	9¼-9⅛	9⅛-9¼	9⅛	9½-9⅜	9	9	8⅞	9⅛-9	8⅞-9	9⅞
Two months	9⅛-9¼	9¼-9⅛	9⅛	9⅜	9	8⅞	8⅞	8⅞	8⅞	9⅞
Three months	9⅛-9⅛	9⅛-9⅛	9¼	9⅜	9	8⅞	8⅞	8⅞	8⅞-8⅞	9⅞
Six months	9⅛-9⅛	9⅛-9⅛	9⅜	—	—	—	—	9⅛-9⅛	8⅞-8⅞	9⅞
Nine months	9⅛-9⅛	9⅛-9⅛	9⅜	—	—	—	—	—	—	—
One year	9⅝-9⅛	9⅞-10	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	£ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅞-9⅝	—	9⅛	9.55-9.65	8⅝-9	9-9⅜
Two months	9⅞-9⅝	—	9⅛	9.55-9.65	8⅞-9⅛	9⅛-9¼
Three months	9⅛-9⅜	—	9⅛	9.6-9.7	8⅞-9⅛	9⅛-9⅛
Six months	9¼-9	—	9⅛	9.85-9.95	9⅛-9⅛	9⅛-9⅝
Nine months	9⅞-9⅝	—	9⅛	10.0-10.25	—	—
One year	9¾-9⅛	—	10	10.1-10.3	9⅝-9¾	9⅞-10⅛
Two years	—	10⅜	—	—	—	—
Three years	—	10⅜	—	—	—	—
Four years	—	10¾	—	—	—	—
Five years	—	10⅞	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8669 per cent. Certificates of Tax Deposit (Series 6) Deposits of £100,000 and over held under one month: 9¼ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 4. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. January 6)

3 months U.S. dollars

bid 9 13/16 offer 9 15/16

6 months U.S. dollars

bid 10 offer 10 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9¼	9¼-9½	9¼-9¾	5⅞-5⅞	1½-1¾	5½-5⅞	12¼-12½	15-16	10-10½	10-10½	6⅛-6⅜	12½-13
7 day's notice	9⅛-9¼	9⅜-9⅝	9¼-9⅝	6⅛-5⅞	1⅞-2⅛	5⅝-5¾	12¼-12½	15½-16½	10-10½	10-10½	6-6¼	12⅝-12⅞
Month	9⅛-9¼	9⅞-9⅞	9⅜-9⅝	5⅞-5⅞	3⅛-3¼	5⅝-5¾	12⅛-12⅞	15¾-16¼	10½-11	10½-10¾	6⅛-6⅜	11⅞-12⅛
Three months	9⅜-9½	9¾-10	9⅛-9¾	6⅛-6⅜	3⅝-3¾	5⅞-5⅞	13-13¼	16½-17	11-11½	10⅞-11⅛	6⅛-6⅜	11⅛-11⅞
Six months	9⅜-9⅝	9⅞-10⅛	9⅝-9⅞	6⅛-6¼	3⅞-4⅛	6⅛-6⅜	13⅜-14⅛	17⅛-17⅝	11⅛-11⅝	11⅛-11⅝	6⅜-6½	11⅞-11⅞
One Year	10-9⅞	10⅛-10⅜	9⅞-10⅛	6⅜-6½	4⅛-4⅜	6⅛-6⅜	14⅜-14⅝	17¾-18⅛	11⅛-11⅝	11⅛-11⅝	6½-6⅝	11⅞-11⅞

Asian $ (closing rates in Singapore): Short-term 9⅝-9¾ per cent; seven days 9⅝-9¾ per cent; one month 9 11/16-9 13/16 per cent; three months 9 11/16-9 13/16 per cent; six months 10-10⅛ per cent; one year 10⅜-10½ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11½-11¾ per cent; four years 11⅞-12⅛ per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983/84 High	1983/84 Low
METALS					
Aluminium	£1100	—	£810/815	£1100	£810/815
Free Markets c.i.f.	$1580/1610	—	$1015/1045	$1655/685	$995/102
Antimony					
Free Market 99.5%	$2450/2620	−15	$1800/1880	$2500/2600	$1750/850
Copper-Cash High Grade	£1020	+39.25	£982.5	£1151.5	£907.75
3 months Do. Do.	£1044.75	+39	£1009.25	£1177.25	£931.25
Cash Cathodes	£1001	+38.5	£941	£1116.5	£899
3 months Do.	£1025.5	+39.75	£969.25	£1145.5	£913.5
Gold per oz.	$375.125	−6.875	$465.5	$508.5	$373.875
Lead Cash	£294.25	+3.875	£306.5	£316	£257
3 months	£303.75	+3.875	£317.375	£328.125	£266.75
Nickel	£4813	—	£4133.5	£4833	£4384
Free Markets c.i.f. lb.	208/228c	+3	16/2192c	225/265c	162/182c
Palladium per oz.	$156.25	−2.75			
Platinum per oz.	£268.90	−0.95	£271.70	£318.95	£244.60
Quicksilver (76 lbs)	$305/310	—	$340/348	$345/355	$257/28
Silver per oz.	597.75p	−16.80	701.45p	948.65p	560.25p
3 months per oz.	610.95p	−16.95	718.95p	973.10p	572.85p
Tin cash	£8565	+112.5	£7392.5	£9,290.5	£7392.5
3 months	£8752.5	+139	£7402.5	£9,281	£7402.5
Tungsten Ind	$73.43	−1.27	$92.25	$92.25	$72.17
Wolfram (22.04 lb.)	$71/75	+1	$78/82	$90/92	$67/72
Zinc cash	£665.5	+47.75	£442.5	£665	£423.5
3 months	£670.5	+41.75	£454.62	£670.5	£436.25
Producers	$980	—	$800	$980	$750
GRAINS					
Barley Futures	£123.55y	+0.65	£1149.0	£124.35	£109.35
Maize French	£147.50	−0.5	£144.50	£151.00	£141.00
WHEAT Futures	£121.80y	−0.40	£121.25	£138.85	£116.10
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£5,500w	—	£6,000	£6,900	£5,500
Pepper, white	$3,300w	—	$1,900	$3,375	$1,700
Pepper, black	$2,350w	+150	$1,425	$2,350	$1,200
OILS					
Coconut (Philippines)	$1065u	—	$435	$1,070	$430
Groundnut 5%	$940u	—	$450	$1,100	$435
Linseed, Crude	‡	—	$310	£536.30	£308
Palm Malayan	$759x	—	$375	$755	$365
SEEDS					
Copra (Philippines)	$700x	—	$295	$700	$295
Soyabeans (U.S.)	$323.2	−8	$236.2	$371.5	$253.5
OTHER COMMODITIES					
Cocoa Shipments §	£2,019	−58	£1,192	£2,076.5	£1,137
Cocoa Futures May	£1,934	−56.5	£1,154.5	£2,015.5	£1,108
Coffee Futures Mar.	£1,979	+79.5	£1,568.5	£2,020.5	£1,548.5
Cotton Index	87.95c	−1.25	70.40c	92.35c	70.35c
Des. Coconut	£995	+5	£510	£995	£510
Gas Oil Fut. Feb.	$246	−3	$274.75	$277.5	$220
Jute LJA BWC grade	—	—	£240	‡	‡
Rubber kilo	85p	+0.05	51p	86.50p	50p
Sago Pearl	£293	—	£242	£293	£242
Sisal No. 3L	$640w	—		$675	$620/650
Sugar (Raw)	£124.50w	+0.5	£96	£193.5	£95
Tapioca No. 1	£318w	—	£255	£318	£315
Tea (quality) kilo	330p	+50	148p	330p	137p
(low med.) kilo	240p	+20	‡	240p	115p
Wooltops, 64s Super	440p kilo	—	374p kilo	—	

‡ Unquoted. (x) Feb. (y) Mar. (w) Jan-Feb. (u) Feb-Mar. (g) Madagascar. § Ghana cocoa.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.45-28.70	−0.05
Iranian Light	27.60-27.70	—
Arab Heavy	26.35-26.50	+0.02
North Sea (Forties)	29.00-29.25	−0.20
North Sea (Brent)	29.15-29.50	−0.05
African (Bonny L'ht)	29.20-29.50	−0.12
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	257-268	—
Gas oil	249-258	+1.5
Heavy fuel oil	175-178	+0.5

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
Feb.	28.75	−0.18	—
Mar.	28.55	−0.23	28.65-28.56
Apr.	28.28	−0.24	28.33-28.30
May	28.13	−0.22	28.13-28.00
June	28.05	−0.10	—
July	28.05	−0.15	—

Turnover: 59 (185) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Jan	249.25	−2.50	249.50-247.0
Feb	246.00	−3.50	247.50-244.5
Mar.	241.50	−3.25	242.25-239.5
April	236.50	−4.00	237.50-235.5
May	232.50	−3.00	234.00-231.0
June	232.75	−2.75	233.25
July	233.50	−0.50	—
Aug	234.00	−1.00	—
Sept	233.00	−3.00	—

GOLD MARKETS

Gold fell $1¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $374¾-375¼. The metal opened at $375¾-376¼ and traded between a high of $375¾-376¼ and a low of $373¾-374¼. Gold failed to move significantly below the $375 support level

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Jan	374.10-75.80	−1.80	—
Feb	377.80-78.00	+0.15	378.10-76.00
April	383.50-84.20	−0.25	384.00-82.00
June	390.00-91.00	+0.50	—
Aug	396.50-98.00	+0.50	—
Oct	403.00-05.00	+1.00	—

	Jan. 6		Jan. 5	
Gold Bullion (fine ounce)				
Close	$374¾-375¼	(£266¼-266¾)	$376¼-377	(£266½-267)
Opening	$375¾-376¼	(£266¾-267¼)	$376¼-377	(£265½-266)
Morning fixing	$374.40	(266.004)	$375.50	(£266.228)
Afternoon fixing	$375.25	(266.513)	$375.25	(£266.326)

Gold and Platinum Coins Jan. 6					
Krugrand	$384¾-385½	(£273¼-274¼)	King Sov	$90-91½	(£64-65)
½ Krug	$199¾-200½	(£142-142½)	Victoria Sov.	$90-91½	(£64-65)
¼ Krg	$101½-102¼	(£72¼-72¾)	French 20s	$72-73¾	(£51¼-52½)
1/10 Krug	$41¼-42	(£29¼-29¾)	50 pesos Mex	$458-457	(£325½-325)
Mapleleaf	$384¾-385½	(£273½-274)	100 Cor. Aust	$365-369	(£259½-262½)
New Sov.	$87¾-88½	(£62½-63)	$20 Eagles	$525-535	(£373½-380½)
½ New Sov.	$52½-53½	(£37¼-37¾)	Noble (Plat)	$393-397½	(£279¼-282¼)

REVIEW OF THE WEEK

Zinc leads London metal price upsurge

BY OUR COMMODITIES STAFF

ZINC LED a general rise in prices on the London Metal Exchange this week. The three months quotation for zinc touched a 9½-year peak of £680 at one stage yesterday, before easing to close at £670.5 a tonne, still £41.75 up on a week ago. But a feature of the market was a threatened squeeze on immediately available supplies that forced the cash price to a premium over the three months quotation on Thursday on rumours that there would be large shipments out of zinc stocks held in the LME warehouses. Eventually the cash price ended the week £47.75 higher at £665.5.

A further boost to market sentiment was provided by Asarco, the U.S. producer, lifting its domestic zinc selling price by 2 cents to 51 cents a lb. It was quickly followed by Cominco of Canada and National Zinc, strengthening speculation the European zinc producer price would shortly be raised again from its present level of $980 a tonne.

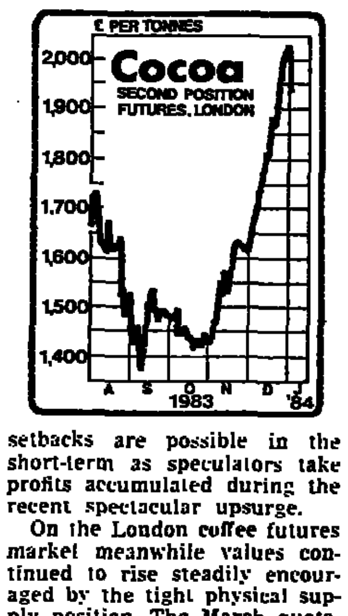
Aluminium values advanced to all-time peaks on the London Metal Exchange, reflecting the fall in the value of sterling and a renewal of speculative buying interest triggered off by the rise in zinc. Three months aluminium ended the week £36.75 up at £1,151.5 a tonne just exceeding the previous high reached in September, 1983.

Copper and tin prices also advanced strongly boosted by the weakness of sterling. Higher grade three months copper gained £39 to £1,044.75 a tonne standard grade three months tin was £139 higher at £8,752.5 a tonne although the Straits tin price in Penang remained at the "floor" level of the International Tin Agreement at $M29.15 a kilo.

Cocoa prices fluctuated wildly this week as speculators reviewed the position in the aftermath of the recent sustained advance. On Tuesday nearby values climbed to new five-year peaks in response to the Nigerian coup. But this rise, which took gains over the last two months to more than £600 a tonne, proved to be the signal for a major shake-out of "long" positions.

On Wednesday the May quotation on the London futures market plunged £97 to £1,934 a tonne as speculator selling triggered heavy stop-loss and profit taking sales. A disappointing New York opening yesterday encouraged a renewed sell-off and the May position, which had reached £2,010 a tonne at one stage, ended at £1,934 a tonne, down £27 on the day and £56.50 on the week.

Most cocoa dealers remain basically bullish in view of the fact that the world cocoa crop for the 1983-84 season is generally expected to fall short of demand by 120,000 to 180,000 tonnes. But many feel further setbacks are possible in the short-term as speculators take profits accumulated during the recent spectacular upsurge.



On the London coffee futures market meanwhile values continued to rise steadily encouraged by the tight physical supply position. The March quotation ended £79.50 higher on the week at £1,979 a tonne.

The London daily sugar price edged up £0.50 to £124.05 after slipping to £122 a tonne, an eight-month low, earlier in the week. But underlying sentiment remained bearish

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1019, three months £1043, 42.50, 43, 43.50, 44, 44.50, 44. Cathodes: Three months £1024, 25. Kerb: Higher grade. Three months 1044, 44.50, 45, 45.50. Afternoon: Higher Grade: Three months £1046.50, 47, 46.50, 46, 45.50, 44, 44.50. Kerb: Higher grade: Three months £1026, 35, 33, 35, 34, 33, 32, 33, 35, 34, 33, 32.50, 32, 31, 32, 31.50, 31, 31.50, 32. Turnover: 32,950 tonnes.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grade	£	£	£	£
Cash	1018.5-9	+15.5	1019.5-20.5	+11
3 months	1043.5-4	+14.5	1044.5-5	+10½
Settlem't	1019	+15.5	—	—
Cathodes				
Cash	999-1001	+15.5	1000-2	+11
3 months	1024.5-5	+13.5	1025-6	+10
Settlem't	1001	+16	—	—
U.S. pro'd.	—	—	*69-72	.....

LIVERPOOL—Spot and shipment sales amounted to 221 tonnes. Mill buyers continued to watch developments and the offtake remained fairly limited. Sales arranged included African growths for winter shipment together with selected Middle Eastern growths.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	8670-80	+78.5	8645-50	+72.5
3 months	8790-1	+38	8775-80	+22.5
Settlem't	8680	+84	—	.....
Standard				
Cash	8590-5	+30	8560-70	+10
3 months	8750-5	+25	8750-5	+22
Settlem't	8595	+30	—	.....
Straits E.	$29.15	—	—	.....
New York				

Tin—Morning: Standard: Three months £8765, 70, 75, 70. High grade: Cash £8655, 85, 80, three months £8780, 95. Kerb: Standard: Three months £8765. Afternoon: Standard: Three months £8785, 80, 75. Kerb: Standard: Three months £8740, 50, 55. Turnover: 1,445 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	292.5-3	+4.5	294-.5	+1.75
3 months	302.25-.5	+4.12	303.5-4	−.5
Settlem't	293	+4.5	—	.....
U.S. Spot	—	.....	*24-28	.....

Lead—Morning: Three months £303, 02.50, 03, 02, 02.50, 02, 02.25, 02.50. Kerb: Three months £303, 04, 05. Afternoon: Three months £305, 04.50, 04, 03, 03.50. Kerb: Three months £302. Turnover: 6,725 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar 566.0, 567.0, 567.0-566.0; May 578.0, 579.2, 579.7-579.0; July 590.0, 592.0, 590.0; Oct 583.0, 585.0, 585.0; Dec 592.0, 595.0, 593.0; Mar 603.0, 614.0, untraded; May 611.0, 620.0, u/t; July 619.0, 630.0, u/t. Sales: 33.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	668-9	−8.25	665-6	−.5
3 months	670-1	−4.25	670-1	+4
Settlem't	669	−8	—	.....
Prim w'ts	—	.....	*49-49.75	.....

Zinc—Morning: Three months £667, 6.50, 67, 69, 69.50, 70, 71. Kerb: Three months £670, 71, 72, 71.50, 72. Afternoon: Three months £673, 72, 71. Kerb: Three months £67, 65, 66, 64, 62, 63, 64, 65. Turnover: 23,250 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	1122-.5	+15	1122.5-3.5	+10.2
3 months	1149-50.5	+12.5	1151-2	+8.75

Aluminium—Morning: Cash £1122.50, three months £1151, 51.50, 50. Kerb: Three months £1150, 50.50. Afternoon: Three months £1153, 53.50, 54, 53.50, 52, 51, 50.50, 51. Kerb. Three months £1145, 44, 45, 46, 48, 47, 46, 45. Turnover: 20,525 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot	3355-7	−23.5	3330-5	+18
3 months	3432-4	−9.5	3410-5	+15

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

Nickel—Morning: Cash £3355, three months £3430, 35, 32. Kerb: Three months £3435, 30. Afternoon: Three months £3430, 20. Kerb: Three months £3400. Turnover: 864 tonnes.

SILVER

Silver was fixed 0.75p an ounce higher for spot delivery in the London bullion market yesterday at 597.75p. U.S. cent equivalents of the fixing levels were: spot 841.3c, down 2.3c; three-month 861.4c, down 2.4c; six-month 884.3c, down 3.1c; and 12-month 931.4c, down 2.6c. The metal opened at 601½-604½p (847-851c) and closed at 596-601p (842-846c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	597.75p	−9.75	598p	−15.5
3 months	610.95p	−9.60	601.5p	−15.0
6 months	626.35p	+0.40	—	.....
12 months	657.40p	−6.35	—	.....

LME—Silver (2,000 oz contract)—Three months 601.5p (616.5p). Turnover nil (nil).

COCOA

Turnover: 89 (124) lots of 10,000 ozs. Morning: Large cash 597.5; three months 611.0, 10.5. Kerb: Large three months 611.0, 12.0. Afternoon: Large three months 614.5, 598.0, 99.0, 600.0, 02.0, 03.0. Kerb. Large three months 597.0, 600.0, 01.0, 02.0, 03.0, 02.5.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
March	1976-77	+17.5	1985-54
May	1960-62	+27.0	1962-10
July	1943-44	+24.5	1944-96
Sept	1921-24	+25.0	1921-76
Dec	1883-85	+25.5	1884-49
March	1860-70	+25.0	1857-30
May	1820-80	+10.0	1831

Sales: 8,789 (10,314) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound): Daily price for Jan 6: 120.14 (122.58); five-day average for Jan 9: 124.01 (125.05).

COFFEE

ICO indicator prices (U.S. cents per pound) for Jan 5: Comp daily 1979 136.97 (135.69); 15-day average 139.09 (139.40).

COFFEE	Yest'day's Close	+ or −	Business Done
January	1986-90	−9.0	2013-90
March	1978-80	+9.0	2000-74
May	1912-14	+12.0	1923-96
July	1865-70	+8.0	1875-62
Sept	1832-34	+6.5	1837-32
Nov.	1802-10	+3.0	—
January	1750-70	−7.5	1775-70

Sales: 3,901 (5,108) lots of 5 tonnes.

GRAINS

Business done—Wheat: Jan 120.50-19.90, Mar 122.75-1.80, May 125.45-4.65, July 128.20-7.40, Sept 111.20-10.50, Nov 114.05 only. Sales: 295 lots of 100 tonnes. Barley: Jan 121.25 only, Mar 123.85-3.50, May 125.25-4.85, Sept 108.95-8.50, Nov 111.70-1.50. Sales: 276 lots of 100 tonnes.

Mnth.	WHEAT Yesterdy's close	+ or −	BARLEY Yest'day's close	+ or −
Jan	120.05	−0.15	120.95	+0.05
Mar	121.80	−0.60	123.55	+0.10
May	124.65	−0.58	124.85	−0.05
July	127.40	−0.68	—	—
Sept	110.60	−0.90	108.50	−0.70
Nov	113.50	−0.85	111.60	−0.70

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 120.10, N. East 120.80. The UK monetary co-efficient for the week beginning Monday January 9 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Feb/Mar 147.75, Apr/May 138.50 transhipment East Coast, sellers. English feed, fob: Mar 127.50-127.75, Apr/June 129.00 paid East Coast. Maize: French 2nd half Jan 147.50, 1st half Feb 148.50 East Coast, sellers. Barley: English feed fob Jan 126.25, paid East Coast. Rest unquoted.

INDICES

FINANCIAL TIMES

Jan. 5	Jan. 4	M'th ago	Y'ar ago
297.69	295.33	292.00	242.67

(Base: July 1 1952=100)

REUTERS

Jan. 6	Jan. 5	M'th ago	Y'ar ago
1982.1	1977.7	1944.8	1587.0

(Base: September 18 1931=100)

MOODY'S

Jan. 5	Jan. 4	M'th ago	Year ago
1050.0	1044.9	1047.1	1015.2

(December 31 1931=100)

DOW JONES

Dow Jones	Jan. 5	Jan. 4	Month ago	Year ago
Spot	137.75	137.1	138.84	135.02
Fut's	141.61	140.59	144.46	141.82

(Base: December 31 1974=100)

POTATOES

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	137.50	137.80	138.50-136.0
April	156.70	158.80	162.10-155.8
May	166.80	169.10	172.00-166.5
Nov.	76.00	76.00	—
Feb	86.00	86.00	—

Sales: 1,205 (1,071) lots of 40 tonnes.

RUBBER

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	854-865	850-865	—
Mch.	857-865	852-865	—
Apl-Jne.	865-866	858-859	867-859
Jly-Sept	874-875	868-869	876-874
Oct-Dec	885-886	879-880	885
Jan-Mch	896-897	888-889	896-890
Apl-Jne.	907-908	900-901	907
Jly-Sept	919-920	910-912	919-915
Oct-Dec	929-934	920-929	—

Sales: 90 (32) lots of 15 tonnes; nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 85.00p (84.75p); Feb 86.25 (85.50p); March 86.50p (85.75p).

SOYABEAN MEAL

	Yestday's close	+ or −	Business Done
	£ per tonne		
Feb.	173.00-73.50	−3.00	176.00-73.00
April	176.10-78.50	−3.25	181.90-78.10
June	175.00-77.00	−1.85	178.10-77.50
August	174.50-77.80	−1.90	178.20-78.00
October	168.00-72.50	−0.75	—
Dec	159.50-65.00	−1.75	—
Feb	160.00-67.00	−2.00	—

Sales: 110 (154) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, Jan 6

Gold and silver came under heavy selling pressure as speculative demand withdrew and long liquidation developed on the continued weakness to currencies, reports Heinold Commodities. Copper and aluminium declined in sympathy with the bearish tone to precious metals. Sugar was under light selling pressure from speculators, but found support from dealers late in the session. Cocoa fell to limit-down as the technical correction continued along with expectations of better cash availability as the harvest progresses in January. Coffee came under pressure from arbitrage selling on the strength to sterling. Cotton remained weak on stop-loss selling. Heating oil showed a firmer tone as trade withdrew as a seller, encouraging short-covering. Grains and soyabeans were under pressure in the nearbys on a general lack of export interest and forecasts of precipitation in Brazil.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2542	2685	2521	2661
May	2547	2660	2547	2635
July	2532	2638	2532	2620
Sept	2522	2620	2522	2610
Dec	2450	2548	2450	2538
March	2437	3450	2450	2525

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	77.30	78.40	77.00	78.00
May	77.70	78.70	77.75	78.35
July	78.60	79.20	79.20	79.25
Sept	79.50	80.00	80.00	80.15
Dec	80.80	—	—	81.45
Jan	81.20	—	—	81.85
March	82.05	—	—	82.75
May	82.85	—	—	83.60
July	83.65	—	—	84.50
Sept	84.45	—	—	85.40

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
March	140.67	41.98	39.69	41.21
May	137.63	38.60	36.50	37.90
July	135.35	36.40	34.75	35.73
Sept	133.15	34.40	32.50	33.61
Dec	130.90	—	—	31.25
March	129.25	—	—	29.88
May	127.88	—	—	28.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	63.75	65.40	64.05	65.30
Feb	64.15	—	—	65.80
March	64.80	66.70	63.70	66.45
May	66.10	67.95	65.50	67.75
July	67.40	69.30	66.80	69.10
Sept	68.75	70.60	68.50	70.45
Dec	70.80	72.70	71.00	72.50
Jan	71.50	73.30	71.80	73.20
March	72.85	74.55	74.50	74.55
May	74.15	74.40	74.00	75.85

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	74.52	75.50	74.45	75.62
May	75.90	76.75	75.70	76.92
July	76.88	77.60	76.80	77.87
Oct	73.30	73.35	73.30	73.81
Dec	72.05	72.37	72.00	72.47
March	73.50	—	—	73.50
May	74.00	—	—	74.20

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Close	High	Low	Prev
Feb	29.25	29.44	28.95	29.30
March	28.98	29.09	28.68	28.97
April	28.65	28.79	28.35	28.70
May	28.47	28.50	28.25	28.60
June	28.25	28.45	28.25	28.40
July	28.35	28.35	28.35	28.35
August	—	—	—	28.50
Sept	28.25	28.25	28.25	28.50
Oct	28.25	28.25	28.25	28.45

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	367.9	373.5	370.0	375.5
Feb	370.0	378.0	369.1	377.7
March	373.0	378.3	375.0	380.8
April	376.1	384.0	375.5	383.9
June	382.3	390.2	381.5	390.2
August	389.7	396.8	387.5	396.7
Oct	395.3	403.5	395.0	403.4
Dec	402.0	410.0	400.0	410.3
Feb	409.0	417.9	413.0	417.4
April	416.2	423.5	417.0	424.7
June	423.7	430.0	429.0	432.0
August	431.5	430.8	427.0	440.2
Oct	439.6	451.0	451.0	448.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	81.00	81.00	78.90	79.72
March	77.80	77.80	75.90	76.66
April	74.95	75.00	73.20	74.09
May	73.10	73.10	71.25	71.80
June	73.00	73.00	71.30	71.94
July	73.30	73.30	72.95	72.45
Aug	—	—	—	75.00
Sept	73.50	73.50	73.50	74.10

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	143.25	43.50	40.25	41.00
March	146.95	47.20	43.30	44.30
May	148.90	49.40	44.90	45.50
July	150.50	51.00	45.90	46.55
Sept	151.50	51.75	47.40	47.40
Nov	149.00	49.50	45.75	44.90
Jan	144.70	44.70	39.70	39.70
March	143.70	43.70	39.00	39.70
May	43.70	—	—	39.70

PLATINUM 50 troy oz, $/troy oz

	Latest	High	Low	Prev
Jan	369.0	378.0	387.0	378.8
April	376.0	389.0	373.0	387.3
July	383.2	394.5	383.0	394.2
Oct	382.0	399.0	398.0	401.1
Jan	397.2	408.5	400.0	408.1
April	420.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	804.0	852.0	806.0	854.0
Feb	809.5	—	—	859.5
March	816.0	863.0	816.0	866.0
May	830.9	879.0	830.9	880.9
July	845.9	893.0	845.9	895.9
Sept	861.2	903.5	863.0	911.2
Dec	884.4	933.0	884.5	934.4
Jan	892.5	938.0	938.0	942.5
March	908.7	951.0	908.7	956.7
May	925.9	966.0	925.9	975.9

SUGAR WORLD "11" 112,000 lbs, cents/lbs

	Close	High	Low	Prev
Jan	9.40	99.45	9.40	9.55
March	7.76	7.84	7.68	7.80
May	8.13	8.20	8.05	8.19
July	8.42	8.48	8.33	8.45
Sept	8.64	8.67	8.60	8.68
Oct	8.85	8.89	8.75	8.84
March	9.83	9.83	9.80	9.82

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	67.95	69.30	67.90	68.65
April	67.97	69.10	67.95	68.85
June	67.15	68.15	67.10	67.95
August	65.17	65.90	65.02	65.82
Oct	62.85	63.55	62.75	63.42
Dec	64.05	64.60	64.05	64.35

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	52.12	53.45	52.02	52.45
April	48.90	49.95	48.70	49.40
June	54.17	54.85	53.85	54.55
July	54.97	55.55	54.80	55.37
August	54.25	54.97	54.20	54.70
Oct	52.22	52.70	52.10	52.50
Dec	53.30	53.95	53.15	53.70
Feb	53.30	54.40	53.30	54.52
April	51.50	52.90	51.50	52.45

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	331.0	333.4	330.0	333.2
May	334.0	338.4	333.4	336.5
July	334.6	337.0	334.2	337.2
Sept	311.2	311.2	309.2	310.2
Dec	295.0	295.0	291.0	292.0
March	306.0	306.0	303.0	303.2
May	312.0	312.0	309.2	309.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	64.27	64.95	63.25	62.95
March	64.20	65.10	63.40	63.27
May	65.62	66.55	64.90	65.00
July	65.70	66.95	65.20	65.55
August	64.15	65.60	63.85	64.25

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Jan	765.0	788.0	764.0	789.4
March	780.0	803.0	780.0	805.6
May	795.0	817.0	795.0	818.6
July	806.0	822.4	805.0	825.6
Aug	794.0	812.0	793.4	814.0
Sept	—	760.0	751.0	761.4
Nov	720.0	726.0	719.4	722.0
Jan	733.4	737.0	733.0	734.0
March	746.0	—	—	746.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	208.0	215.5	207.2	214.9
March	209.0	215.0	208.8	215.6
May	211.0	215.8	211.0	216.7
July	213.3	217.0	212.8	217.8
Aug	213.0	214.0	212.5	216.5
Sept	206.5	207.0	205.0	207.5
Oct	193.0	194.0	192.0	194.2
Dec	193.5	194.0	193.0	195.2
Jan	194.0	194.5	194.0	195.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	27.98	28.80	27.95	28.75
March	28.52	29.40	28.50	29.37
May	28.95	29.83	28.96	29.77
July	29.15	29.90	29.10	29.82
Aug	28.95	29.55	28.90	29.49
Sept	27.80	28.25	27.75	28.15
Oct	26.80	27.30	26.75	27.25
Dec	26.60	26.90	26.50	27.00

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
March	358.4	359.4	356.4	358.6
May	353.2	354.4	352.2	354.6
July	342.0	342.6	340.6	342.6
Sept	349.4	349.6	348.0	349.2
Dec	362.4	362.4	361.0	362.4
March	372.4	—	—	372.0

SPOT PRICES—Chicago loose lard 23.50 (23.00) cents per pound. New York tin 565.0-75.0 (564.0-71.0) cents per pound.

last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ○ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

Delta 6pcPf (£1) 44. 7½pcDb 1985-90 £82½

Deny (Henry) Sons 6pcPf (£1) 25 6

Dentsply 9½pcLn 1981-91 £79 (4/1)

Dowhurst Partner (10p) 15

Dulay Titanine 7¼pcLn 1985 £94

E—F

G—H

I—J—K

L—M

N—O—P

Q—S

Rugby Portland Cmt 6pcLn 1993-98 £60¼ (4/1)

Russell Bros (Paddington) 78 80

Ruston Hornsby 8pcDb 1987-92 £81¼ (30/12)

Sainsbury (J) 7¼pc1stDb 1987-92 £80¼

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

M G Gold General Fund Accum Units 53 (4/1)

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

Anglo-Indonesian Corpn 9½pcPf (£1) 160 (4/1)

Beradin Hldgs (5p) 46½ 7 8 (4/1)

Dunlop Plantations 6pcPf (£1) 40

Guthrie Corpn 9½pcLn 1992-97 £75 (30/12)

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

Mebon New (10p) 92

Moray Firth Maltings New 220 6

New Court Natural Res Wts 7

Page (M) Part (5p) 108 (3/1)

Pericom New (10p) 156

Protimeter (5p) 32. New (5p) 32 (4/1)

Rivlin (IDS) Hldgs (5p) 61 (3/1)

Synterials (10p) 95. New (10p) 93 4

Tay Homes New (25p) 90

Telev Sth 14.20pcLn (1986-88) £115

Thorpac Grp (5p) 57

Tyne Tees Telev Hldgs A (£1) 135 40

Utd Friendly Insce B (10p) 260

V W Thermax 155 7 8 60

Woodchester Invs (Ir£0.20) 170

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

Acmex Hldgs 50 6

Acorn Secs 40○ 30

Air Prods Chems £31⅞

Algoma Cent Rlwy £11⅛

Allflex Hldgs 230 (4/1)

Alliance Oil Devel 460 8

Amatil 230

American Cyanamid £35¼ (4/1)

American Home Prods US$49¼ (3/1)

Ampol Ex 248○ 53 4 (3/1)

Ampol 118

Amsterdam-Rotterdam Bk £15.10 (3/1)

Apex Oil (A$0.25) 11 (4/1)

Asia Oil Minerals 40○

Atlantic Richfield £27⅝○ (4/1)

Atlas Inds 520 (3/1)

Aust Foundation Inv 110

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

Move to block sale by Elders

By Michael Thompson-Noel

AUSTRALIA'S Trade Practices Commission (TPC) is expected to apply to the federal court in Melbourne on Monday for an order blocking the sale by Elders IXL of its frozen foods subsidiary, General Jones, to Petersville Industries, an offshoot of the Adelaide Steam Ship Company (ADSteam).

The sale, announced earlier this week, was for an undisclosed sum thought to be about A$50m ($245m) and would have given Petersville, an estimated 90-95 per cent of the A$200m frozen food market.

The sale follows Elders recent A$970m acquisition of Carlton and United Breweries, Australia's biggest brewer. After this Elders said it would sell surplus assets in order to concentrate on four core businesses: finance, pastoral, international and brewing.

General Jones has five plants, employs 1,100 and contributed A$4.7m to Elders' 1982-83 profit.

The TPC warned yesterday, that it was preparing to intervene under the Trade Practices Act, "pending divestiture proceedings.

"The Commission will be applying very quickly to the Federal Court, for an order preventing the merger of the two companies."

● Bond Corporation yesterday won control of Perth's Swan Television and Radio Broadcasters the country's last listed major metropolitan television licence holder in independent hands. The Bond bid valued Swan at A$49.5m.

Italy close to proposing new Consob chairman

BY ALAN FRIEDMAN IN ROME

THE ITALIAN Government is expected shortly to name a new chairman to Consob, the troubled regulatory authority of the Italian Stock Exchange.

Prime Minister Bettino Craxi is understood to be considering the nomination having this week been given a list of candidates for chairman and for another board seat which is vacant.

The announcement of new Consob members could come as soon as next week, thus ending a two-and-a-half month hiatus during which Consob has been without leadership.

Among the names most frequently mentioned in Italian financial circles is that of Professor Pier Giusto Jaeger, who teaches commercial law in Milan. The last Consob chairman, Sig Vincenzo Milazzo, resigned in October only a few days after telling a parliamentary inquiry that the regulatory agency, founded in 1974, had "never been born."

Consob has had a stormy history since it was first launched as an Italian version of the U.S. Securities and Exchange Commission (SEC). The collapse of Banco Ambrosiano in 1982, only a few months after the bank was forced to secure an official listing on the Milan Bourse, led to the resignation of the highly regarded Professor Guido Rossi.

In Milan, stockbrokers have accused the government over the years of not caring about Consob, of having obstructed the growth of the Milan bourse (which is tiny by world standards) and of leaving Consob understaffed and unable to carry out its duties.

Some Milanese observers claim that the government has folowed a deliberate policy of laissez-faire in order to prevent the Stock Exchange from attracting investors away from Treasury bonds, needed to fund Italy's massive public sector deficit.

Mitel reports C$7.2m loss

BY ROBERT GIBBENS IN MONTREAL

MITEL, the Ottawa-based telecommunications equipment and mini-computer group, yesterday reported a loss of C$7.2m (U.S.$5.8m) or 19 cents a share in the nine months ended November 25, against net income of C$10.6m or 28 cents a share earlier. Revenues rose from C$178.6m to C$234.9m.

However, the company was in the black in the third quarter. Net profits were C$794,000 or two cents a share against C$3.2m or eight cents on revenues of C$95.5m against C$61m. The revenue figures include C$8.3m received from corporate investors to fund digital switching research. This was the consequence of a preferred stock issue in November.

Mitel has been showing losses for the first time during calendar 1983 due to technical problems with its large SX2000 digital private exchange which have delayed its introduction, the ending of a technical link with IBM and severe competition in the U.S., its principal market. Mitel has also moved towards more conservative accounting practices.

The company has now started shipping limited quantities of SX2000s with restricted software, more than a year late.

Dutch copier group shows rise

INCREASED profits are reported provisionally for 1983 by Oce-Van Der Grinten, the Dutch copier group.

On sales little changed, the company says net profits for last year will rise to around Fl 51m ($16.3m), compared to the Fl 43.3m returned for 1982.

In 1982 turnover totalled Fl 1.65bn. Turnover for 1983 is expected to be about Fl 1.66bn.

French exports bank plans two bond issues

By Our Financial Staff

PLANS for a series of bond issues are announced by Banque Francaise du Commerce Exterieur (BFCE), the French state export financing bank.

The bank plans to launch two issues on the Paris bourse next week to raise a total of FFr 3bn ($351m). Both are guaranteed by the state and each will raise FFr 1.5bn.

The first will carry a coupon of 14 per cent, will run for 18 years, and will be priced at 99.5 per cent. Both issuer and bearer will have the option of early redemption.

If the bearer takes early redemption, repayment will be at par but the final coupon will be reduced.

The second bond, issued at 99.92 per cent over 10 years, will carry a coupon of 13.90 per cent in the first year.

Massey sees return to profit in 1984

By Our Financial Staff

MASSEY-FERGUSON, the Canadian-based farm equipment manufacturer, will make a profit in 1984 after four years of losses, Mr Victor Rice, chairman, said in Toronto

"Massey is poised for dramatic recovery," he said. "Even if 1984 repeats the rotten sales of 1983, we will make a profit."

In late November, Massey reported a loss of US$41.1m for the nine months ended October 1983, compared with $339.7m a year earlier. Sales fell 26 per cent to $1.2bn.

Massey has now moved its year end to January 31.

Mr Rice said Massey had devoted "five painful years" to changing its outlook, and in the last three years had been the only company in the industry to generate cash-flow despite large losses on trading.

Kaiser Steel action

A Brazilian mining company, *Companhia Vale do Rio Doce*, had filed in the U.S. district court in Nevada for an order of attachment against unspecified assets of Kaiser Steel, the West Coast steelmakers, Reuter reports.

A hearing on the application is set for Tuesday.

Companhia Vale is seeking $67m damages from Kaiser for alleged breach of a long-term contract to purchase iron-ore pellets.

Kaiser said it believes any net liability under the contract would be "substantially less" than the amount claimed.

Murdoch considers fight for control of Warner

BY TERRY DODSWORTH IN NEW YORK

MR RUPERT MURDOCH, the Australian publisher, has added a further element of intrigue to his share raid on Warner Communications, the troubled communications and entertainment group, by indicating that he may start a proxy fight for control of the company.

In a filing with the Securities and Exchange Commission, the securities' industry watchdog, his News Corporation holding company said that it was examining the feasibility of various alternative approaches to Warner.

These included the "acquisition of additional shares of Warner stock, the solicitations of proxies, or otherwise, to influence the *management* or acquire control of Warner."

Mr Murdoch had previously declared his intention to buy up to 49.9 per cent of Warner's shares, but this is the first time that he has publicly stated that he might seek control of the company.

Wall Street analysts are puzzled by his manoeuvrings, and the consensus view has been that he will seek to do a deal with Warner to take over some of its assets, probably its film library or its cable television interests.

The filing also added that he would consider taking additional action to oppose the proposed link up between Warner and Chris-Craft.

This agreement has been widely interpreted as an attempt to prevent Mr Murdoch from increasing his share stake, since he could then run into licensing problems because of geographical overlaps between his newspaper interests and Chris-Craft's television broadcasting stations

Levi Strauss leaps 54% in year

BY OUR FINANCIAL STAFF

LEVI STRAUSS, the world's biggest clothing manufacturer, reported a 54 per cent rise in profits for the year to November 30, despite only a modest increase in the final quarter.

Net earnings in the last three months of the fiscal year edged ahead from $45.9m, or $1.10 a share, to $51.6m, or $1.22, taking profits for the year to $194.5m, or $4.61 a share, against $126.6m, or $3.05.

Sales rose from $2.57bn to $2.73bn, with $705m ($686.5m) coming in the final quarter.

The reduced rate of earnings growth in the fourth quarter was due partly to the effects of a strengthening dollar on currency translation.

Sales at Levi Strauss U.S. rose 8 per cent while international sales fell 10 per cent. Over the year, domestic sales increased 16 per cent but international sales fell 13 per cent.

The company warned that earnings for the first quarter of fiscal 1984 would be "significantly below" the year-earlier results when net profits were $35.1m, or 84 cents a share.

TRW buys oilfield services company

BY OUR FINANCIAL STAFF

TRW, the diversified U.S. vehicle parts, electronics and industrial products group, has strengthened its position in the oilfield equipment and services industry by agreeing to buy Trico Industries, a California-based company.

TRW will, subject to share price fluctuations, exchange 0.1375 of a share of its common stock for the 6.9m Trico shares it does not already own through a 16.5 per cent holding.

Based on Friday's closing price for TRW shares of $79½, this values Trico at $89m.

McDonnell Douglas, the U.S. aircraft and missile manufacturer, is to pay $69.2m for Computer Sharing Services, a Denver-based subsidiary of Rio Grande Industries.

Computer Sharing provides computer systems and data processing services to telephone companies.

Litton Industries, the U.S defence and electronics company, has agreed, in principle, to sell its furniture, fixtures and office products group to a company to be organised by the group's senior managers and Realix Capital, a New York investment company.

The price will be the net book value of the group, or more than $80m.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

Volume increases as institutions inject fresh funds and all main equity indices close at record highs

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

Equity markets remained in ebullient mood as the first half of the opening 1984 Account drew to a busy close yesterday. Inspired by Wall Street's continued boom overnight and buoyancy on many other ? mw international bourses. London values responded to increased institutional buying. Once again all main Financial Times indices closed at all-time records with the FT Industrial Ordinary rapidly nearing 800 after breaching 750 for the first time only a month ago. Government Securities were overshadowed but again chose to ignore sterling's continuing weakness against the dollar, recovering from early uncertainty to close firmer on the session.

Institutional buyers of blue chip industrials were active from the outset. their appetites whetted by events abroad and by Press reports that the world economic situation was now more propitious for more than a decade. Buying orders for selected quality shares were lumpy and with stock often in short supply. the ensuing gains were accentuated.

The FT 30-share index was 5 points up at 10 am and. as on Thursday. advanced continuously to close 10.7 higher at a best-ever 794.3. a rise on the shorter business week of 18.6. Of the constituents. **Distillers** featured with a rise of 9 to 264p, after 266p. following renewed support on the back of a recent investment recommendation, and persisting bid rumours. **GEC** and **BICC** both rose around 9, while **Tate and Lyle** and **Boots** also showed up well.

Interest in secondary equities was also widespread with a host of issues worthy of mention. Stocks rumoured to be possible New Year selections this weekend attracted a speculative following, while bid situations either actual, or rumoured, also claimed considerable attention. Bid chestnut, **Stylo Shoes** stood out with a jump of 80 to 248p on news that Harris Queensway was attempting to acquire a 10 per cent stake in the company.

Anxieties about sterling and disappointment with the U.S. bond market's performance curbed initial enthusiasm for Gilt-edged securities. Nervous selling lowered longer-dated stocks by ½ from the previous day's best levels before investors regained courage in such fashion that the losses were eventually replaced by net gains. These stretched to around ¼ among medium-life maturities, the last-named area now being free of Government tap following Thursday's exhaustion of official supplies of the partly-paid Exchequer 10 per cent 1989.

Midland drop late

A good day in the banking sector was soured by after-hours weakness in **Midland**, down 18 at 380p, on rumours that it was to acquire the 43 per cent of Crocker National Bank of California not already owned; trading in Crocker was suspended in New York for around an hour yesterday but it resumed later. Elsewhere, Merchant Banks attracted speculative buying on revived takeover hopes. **Charterhouse J. Rothschild** moved up 11 to 123p in active trading, while **Hill Samuel**, 350p, and **Brown Shipley**, 365p. rose 10 apiece.

Lloyd's Brokers, which have been a rising market throughout the week in sympathy with the dollar's strength. featured **Sedgwick** and **Willis Faber**: sentiment in these two stocks was also stimulated by revived bid hopes; the former closed 9 better at 255p and the latter 7 higher at 734p.

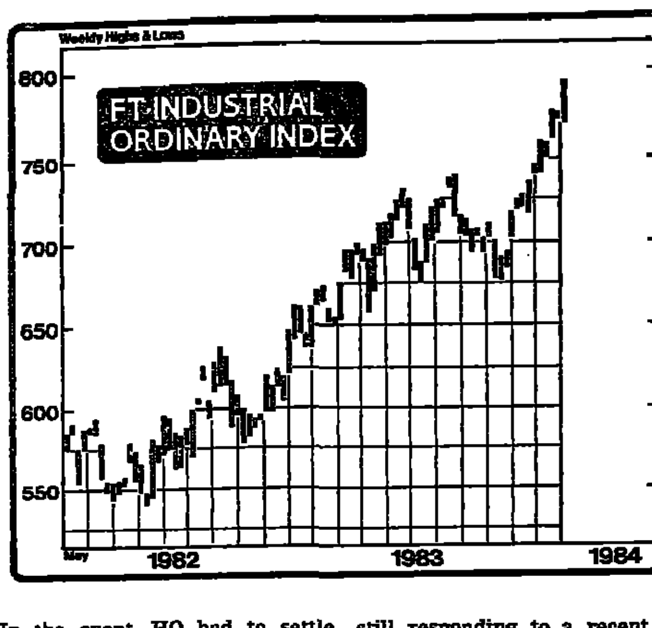
Enthusiasm for Distillers spilled over to other spirit concerns with **Invergordon**, 149p. and **Highland**, 111p, up 6 and 4 respectively. Further comment on the proposed offer for Gleneagles triggered fresh support of **Arthur Bell** which rose 10 for a four-day advance of 18 to 148p.

Investors continued to show interest in quality Building issues. **Tarmac** rose 10 for a two-day gain of 18 to 446p. **Costain** firmed 8 to 244p and **George Wimpey** put on 6 to 140p. **Barratt Developments** touched 184p before closing 4 dearer on balance at 180p. **AMEC** continued to benefit from a broker's recommendation and advanced 10 for a two-day gain of 17 to 203p, while **Taylor Woodrow** rose 15 to 610p. Elsewhere, renewed support lifted **Marchwell** 10 to 194p and **Newarthill** the same amount to 595p. Country buying lifted **Arncliffe** 6 to 62p, and fresh demand in a restricted market raised **J. Jarvis** 15 to 275p for a four-day gain of 37. **Magnet and Southerns**, interim statement due next Wednesday, firmed 6 to 162p.

ICI continued to reflect U.S. advices, rising 6 for a gain this week of 14 to 650p. Among other Chemicals, **Amersham International**, a depressed market of late, met with revived support and put on 11 to 217p. A broker's recommendation lifted **Croda International** 5 to 99p.

Stylo spurt

A rising market since the new-year on persistent speculative buying, **Stylo** advanced sharply following the disclosure that **Harris Queensway** were prepared to purchase a 10 per cent stake.



In the event, HQ had to settle for 510,000 shares, or around 5.1 per cent of the equity, purchased at just under 175½p per share; buying continued into after-hours' dealings and Stylo finally closed 80 to the good at 248p. Harris Queensway rose 6 to 324p. Elsewhere in Shoes, **Strong and Fisher** remained active on vague talk of a sizeable deal in the pipeline and improved 8 to 144p, after 148p.

Demand for leading Stores continued to expand. **Marks and Spencer** were lively and advanced 5 to 218p, while **Burton** added 6 for a four-day rise of 16 to 440p. **Vantona-Viyella** finished another 10 to the good at 182p. Press comment stimulated support of **Amber Day**, 3 up at 19½p.

The revival in Electrical leaders continued with sizeable buying lifting **GEC** 8 to 188p and **BICC** 10 to 260p. Elsewhere, Press mention left **MK Electric** 10 to the good at 298p and **Oxford Instruments** 6 dearer at 311p. **VG Instruments** featured again at 158p, up 13, following a broker's visit to the company.

Institutional operators showed a keen interest in the Engineering sector. **Delta**, 70½p, and **IMI** 70p, were up around 2 apiece and were again briskly traded, while **Glynwed** responded to fresh support with a rise of 6 to 129p. Demand in a market none too well supplied with stock left **Simon Engineering** up 18 more at 420p. **Howden Group** improved 6½ to 79p following comment on the interim figures. Smaller priced issues were again well to the fore. **Neepsend** stood out with a gain of 3½ to 12p. **Capper-Neill** rose 2 to 16p and **Lake and Elliot** 5 to 35p.

Retailers continued to claim most of the attention in Foods, but selected manufacturers also made progress as interest broadened. **Dee Corporation**, still responding to a recent investment recommendation, rose 8 to a 1983-84 peak of 448p, while **J. Sainsbury** firmed 5 to 480p and **Argyll** put on 6 to 150p. **Associated Dairies** rose 4 to 162p; the interim statement, originally scheduled for next Tuesday, has been put back to Wednesday. Elsewhere, **Associated British Foods** attracted renewed support and put on 6 to 150p, as did **Northern Foods**, which gained the same amount to 192p. Buyers returned for **Tate and Lyle**, up 8 at 393p; the preliminary results are due on January 18. Recent favourite **Pyke Holdings** encountered further buying in front of next Wednesday's annual results and touched 185p before closing a net 7 up, or 23 higher on the week, at 177p.

Glaxo up again

Glaxo made fresh progress to 740p, up 15, with U.S. offerings being outweighed by domestic demand. Other leading Miscellaneous Industrials also showed up well. **Metal Box** featured with a rise of 14 to 312p, the movement partly reflecting a squeeze on short market positions. A flurry of buying left **Bowater** 10 to the good at 270p, while similar improvements were recorded in **Pilkington Bros**, 248p, and **Reed International**, 386p. After-hours' dealings were highlighted by a jump of 24½ to 67½p nominal in **Aero Needles** on news of a 60p per share cash bid from Newell Furnishings. **Eastern Produce**, a good market since the boom in tea prices, advanced 11 to 192p following favourable Press mention. Renewed support lifted **Foseco** 8 more to 170p and **Gripperods** 7 further to 160p. **English China Clays** came to life with a gain of 7 to 216p and **Kennedy Smale** stood out at 95p, up 10. Occasional support lifted **Applied Computer** 25 to 540p and **De La Rue** 20 to 580p. **Smiths Industries** responded to favourable Press mention with a rise of 8 to 493p.

The Leisure sector displayed numerous firm spots. Speculative buying on hopes that parent Hawley Group could improve the company's fortunes lifted **Black and Edgington** 14 to 102p, while Press suggestions of a casino deal with Aspinall Holdings left **Trident TV "A"** 3½ dearer at 135½p.

Motor Components continued to advance across a broad front. **Dowty**, due to reveal interim figures later this month, touched 129p before closing 3 up on balance at 127p, while **Solex**, still buoyed by the moves into electronic fuel injection manufacture, improved 4 to record a gain on the week of 17 at 102p. Distributors featured **Kenning** which, in anticipation of good preliminary results next Thursday, rose 7 more to a 1983-84 peak of 145p.

Properties, good all week, opened higher but drifted back in on the lack of fresh support to close virtually unchanged. Of the few noteworthy closing movements, **London and Provincial Shop Centres** were 6 up at 290p and **Percy Bilton** 4 better at 250p. Recently-neglected **Sterling Guarantee** met with support and firmed 3 to 50p.

Knitwear issues continued to make modest headway in the wake o recent favourable Press reports. **Sirdar** rose 6 to 122p and **Nova (Jersey)** rallied 3 more to 43p.

BP dip and rally

Bats advanced 12 to 187p, after 189p on consideration of the group's overseas earnings potential in the light of the weaker sterling exchange rate, coupled with the apparent success of the bid for Eagle Star.

Oils ended a good week in fine form, especially **Shell** which rose 8 more to 603p—a week's gain of 35—on persistent American and institutional support following optimism over the change of Government in Nigeria. **Royal Dutch** added a further ⅝ at a year's best of £33⅝ owing to a fresh burst of buying interest on the Amsterdam market. **BP** dropped to around 400p in early trading amid rumours of a dry well in the South China Sea, but subsequently rallied to close a net 2 cheaper at 405p following an official denial of the rumours; A statement on the results of testing in the South China Sea is expected next week. Further consideration of the bid for **Candecca** boosted **Bristol Oil and Minerals** by 3½ to 54½p; Bristol holds a substantial stake in Candecca. The latter were a shade easier at 195p, leaving the shares 15 higher over the shortened week. Elsewhere in Oils speculative buying lifted **Sovereign Oil** 10 to 240p and Irish oil favourite **Eglinton** a further 15 to a 1983-84 high of 390p. **IC Gas** fell 8 more to 260p.

RTZ advance

Buyers maintained their interest in Overseas Traders. **Lonrho** advanced 5 to 114p and fresh bid speculation lifted **Inchcape** 8 for a gain on the week of 28 to 303p.

South African Golds took a back seat in mining markets as the leading London Financials and De Beers made rapid progress.

The former surged ahead to close with widespread and substantial gains, boosted by the continued strength of a number of base-metals. Zinc values were little changed yesterday on the London Metal Exchange but are currently around their best levels for over nine years; metal dealers are also talking about a possible shortage of immediate supplies which could push prices even higher in the short term. Copper prices have also staged a strong revival in recent days and the performance of this metal was said yesterday to have prompted the sharp rise in **Rio Tinto-Zinc**, which jumped 24 to 627p. **Consolidated Gold Fields** shrugged off an unimpressive performance by gold and gold shares to close 20 up at 510p, while **Charter** added 15 at 235p. Trading in UK financials was said to have been all one-way and in relatively thin markets.

De Beers were a firm feature in South Africans, jumping 23 to 538p ahead of the annual diamond sales figures, expected early next week.

South African Golds drifted back in subdued trading and closed with widespread losses, although these were pared at the close of trading following modest support from the U.S.

Recent dullness in bullion prices led to initial small-scale selling from Johannesburg and this together with light selling in London prompted the general downturn in share prices.

The Gold Mines index gave 5.3 to 557.1, leaving this measure 18.6 lower over the shortened week. Bullion was finally $1.5 off at $375.125 an ounce.

The first of the quarterly reports from the South African gold mines, those in the Gold Fields group, are due for publication next Tuesday.

Australians improved across the board following another good performance by overnight Sydney and Melbourne markets, renewed strength in base-metals and easier sterling against the Australian dollar.

Western Mining were the star performer among leading issues and rose 8 to 282p while **CRA** added 6 at a 1983-84 high of 394p and **Renison** 15 at 270p.

Institutional enthusiasm for London equities was again mirrored in Traded Options which attracted 3,910 contracts—the highest total since early November of last year. Business was well-distributed with **GEC** recording 533 calls, 241 of which were struck in the January 180's, 5 dearer at 12p. Operators returned for **Lonrho** where 494 calls were transacted, 207 in the February 110's. Once again, mining issues displayed some substantial premium gains. The current strength of the zinc price coupled with renewed demand for copper lifted **RTZ** February 650 calls 6 to 16p, while **De Beers** March 750 calls advanced 11 to 44 cents.

FINANCIAL TIMES STOCK INDICES

	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Dec. 30	Dec. 29	year ago
Government Secs	83.54	83.48	83.18	83.10	83.12	83.15	80.11
Fixed Interest	87.14	86.71	86.46	86.35	86.41	86.86	81.95
Industrial Ord.	794.3	783.6	770.3	771.8	775.7	772.4	681.0
Gold Mines	557.1	562.4	553.9	578.6	575.7	580.9	588.3
Ord. Div. Yield	4.48	4.53	4.61	4.61	4.58	4.59	4.81
Earnings, Yld.% (full)	9.15	9.27	9.43	9.42	9.37	9.38	10.37
P/E Ratio (net) (*)	13.32	13.15	12.92	12.96	13.01	12.99	11.68
Total bargains	20,854	20,237	17,728	15,769	17,014	14,487	24,042
Equity turnover £m.	—	326.71	305.63	130.83	156.31	228.00	282.16
Equity bargains	—	20,693	17,865	15,140	16,418	12,541	21,690
Shares traded (ml)	—	193.9	135.3	83.9	100.2	110.1	167.0

10 am 788.6. 11 am 791.4. Noon 792.1. 1 pm 792.8. 2 pm 792.7. 3 pm 793.2.

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.52.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.70 (11/11/83)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.14 (6/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	794.3 (6/1/84)	598.4 (12/1/83)	794.3 (6/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 5	Jan. 4
—Daily		
Gilt Edged Bargains	162.9	147.4
Equities Bargains	134.1	115.7
Value	660.4	416.6
5-day Avrge		
Gilt-Edged Bargains	127.2	115.2
Equities Bargains	107.1	93.9
Value	425.4	336.9

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (368)

BRITISH FUNDS (18)

INT BANK & OVERSEAS GOVT STERLING ISSUES (2)
Euro Inv Bk 11pc 2002; New Zealand 11¼pc 2008

CORPORATION LOANS (1)
Lon Corp 9¼pc 84/85

LOANS (1)
Inv Ind 7¼pc A Db 91/94

FOREIGN BONDS (1)
Hungary '24 Ass

AMERICANS (21)

CANADIANS (5)

BANKS (10)
ANZ; Bank of Ireland; Brown Shipley; Chat J. Rothschild; Do Warrants; Gerrard & National; Hill Samuel; Schroders; Wells Fargo; Cie Bancaire

BREWERS (4)
Distillers; Irish Distillers; Macallan-Glenlivet; Scot & Newcastle

BUILDINGS (6)
Costain; Henderson Group; Jennings Inds; McCarthy & Stone; Taylor Woodrow; Warrington (T.)

CHEMICALS (7)
Allied Colloids; Arrow Chemicals; Bayer AG; Coalite; Hoechst AG; Laporte Inds; Wolstenholme

STORES (16)
Bolton Textile; Burton; Combined English; Dixons Group; Fine Art Devels; Foster Bros; Freemans; French Connection; Liberty NV Ord; Saamuel (H.) A; Simpson (S.) A; Stead & Simpson A; Time Prods; Vantona-Viyella; Walker (Jas); Do A NV

ELECTRICALS (12)
Acorn Computer; Electrocomponents; Goring Kerr; Memec; Molynx; NEC Corp; Pethow; Suter; TDK; Thermal Scientific; Thorn EMI 7pc Cnv Pf '92/99; Ward & Goldstone

ENGINEERING (10)
Brooke Tool; Camford Eng; Delta; Farmer (S. W.); Glynwed Intnl; IMI; Lee (Arthur); Neepsend; Rotork; Telfos

FOODS (13)
Argyll; Assoc Dairies; Assoc Fisheries; Dee Corp; Fitch Lovell; Freshbake Foods; Hillards; Kwik Save; Pyke Hldgs; RHM; Sainsbury (J.); Tesco; Unigate

INDUSTRIALS (35)
Aero Needles; Assoc Brit Ports; BOC 9pc Cnv Ln 2001/06; Bibby (J.); Borg-Warner; Bridport-Grundy; BH Prop; CSR; Continental Grp; Cookson; Cope Allman; DPCE; Dalgety; Dunhill; Eastern Produce; Emhart Corp; Ferguson Ind

INDUSTRIALS CONTINUED
Foseco Minsep; Gripperrods; Halma; Jacksons Bourne End; Kershaw (A.); Lamont; Marley; Metal Box; RFD; Reed Executive; Reed Intnl; Renown Inc; Sandhurst Marketing; Smiths Inds; Steetley; TNT; Turner & Newall; Wade Potteries

INSURANCE (9)
Equity & Law; Heath (C. E.); Hogg Robinson; Legal & General; Pearl; Sedgwick; Taisho Marine; Travellers; Willis Faber

LEISURE (8)
Anglia TV A; Black & Edgington; Intasun; Juliana's; LWT A; Scott TV A; Trident TV A; Zetters

MOTORS (6)
Honda Motor; Plaxton's (GB); Lucas Inds; Solex A; Supra Group; Kenning Motor

NEWSPAPERS (4)
Collins (W.); Intnl Thomson; Liverpool Daily; Routledge & Keegan Paul

PAPER (3)
Brit Printing; McCorquodale; Peters (M.)

PROPERTY (14)

SHIPPING (2)
Gotaas-Larsen; Turnbull Scott

SHOES (3)
Pittard; Strong & Fisher; Stylo

TEXTILES (5)
Allied Textile; Illingworth Morris; Do A; Sirdar; Toray Inds

TOBACCOS (2)
BAT Inds; Imperial Group

TRUSTS (125)

OILS (8)
Bridge Oil; Eglinton Oil & Gas; Intnl Petroleum; Marinex Pet; Moonie Oil; Royal Dutch; Weeks Pet (Bermuda); Do (Australia)

OVERSEAS TRADERS (4)
African Lakes; Gill & Duffus; Great Northern Tel; Lonrho

PLANTATIONS (7)
Cons Plants; Malakoff; Malay Plants; McLeod Russel; Do 8.4pcPf 90/92; Moran Tea; Williamson Tea

MINES (6)
Bond Corp; CRA; Endeavour; Great Eastern Mines; Keywest Invs; Whim Creek

NEW LOWS (5)

BUILDINGS (1) Beechwood

ELECTRICALS (1) Scan Data

INDUSTRIALS (1) Kalamazoo

PAPER (1) Brunning

MINES (1) Meekathara

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri Jan 6 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 5 Index No.	Wed Jan 4 Index No.	Tues Jan 3 Index No.	Fri Dec 30 Index No.
1	CAPITAL GOODS (205)	481.40	+2.0	8.75	3.69	14.80	472.07	463.44	465.62	466.79
2	Building Materials (25)	459.11	+1.5	10.62	4.57	11.73	452.37	447.42	446.94	447.25
3	Contracting, Construction (32)	707.55	+2.7	13.34	5.04	9.36	689.06	677.32	680.70	681.01
4	Electricals (15)	1717.72	+2.5	7.08	3.92	17.96	1676.60	1651.79	1651.76	1646.65
5	Electronics (24)	1782.76	+2.5	8.27	2.17	15.86	1660.45	1617.13	1637.88	1646.65
6	Mechanical Engineering (64)	220.64	+1.2	10.69	5.15	11.61	217.97	214.47	212.98	212.79
8	Metals and Metal Forming (9)	184.23	+1.9	8.94	6.37	14.59	180.76	178.51	177.89	178.04
9	Motors (17)	125.15	+1.2	1.40	4.30	—	124.64	122.98	124.26	123.86
10	Other Industrial Materials (19)	613.43	+1.3	5.18	3.62	25.62	605.31	598.43	600.81	604.08
21	CONSUMER GROUP (196)	475.70	+1.5	10.06	4.22	12.16	468.87	462.89	461.40	462.00
22	Brewers and Distillers (23)	458.72	+1.0	12.83	5.23	9.71	454.17	449.18	441.70	439.89
25	Food Manufacturing (22)	383.89	+0.8	12.10	5.31	9.66	380.75	373.83	369.48	367.62
26	Food Retailing (13)	1124.08	+1.5	7.19	2.51	17.85	1107.93	1079.24	1074.95	1073.72
27	Health and Household Products (9)	732.74	+1.0	6.42	3.00	18.30	725.55	706.26	707.48	711.67
29	Leisure (23)	625.43	−0.3	8.15	4.36	15.81	627.19	617.13	615.87	615.57
32	Newspapers, Publishing (15)	1122.16	+0.7	7.74	4.26	15.51	1113.98	1096.56	1087.88	1087.65
33	Packaging and Paper (14)	224.07	+2.7	10.65	4.51	11.67	218.27	216.91	218.20	219.14
34	Stores (47)	434.28	+1.7	7.86	3.56	17.27	427.05	424.52	425.56	428.29
35	Textiles (19)	253.48	+1.2	11.92	4.66	9.71	250.50	245.25	247.66	249.17
36	Tobaccos (3)	533.67	+5.0	18.63	5.99	6.01	508.50	510.85	514.82	518.79
39	Other Consumer (8)	462.28	+0.6	10.23	5.55	—	459.43	458.43	459.18	457.46
41	OTHER GROUPS (83)	428.79	+1.2	7.89	4.11	15.97	423.51	420.28	422.64	422.48
42	Chemicals (16)	640.38	+1.2	6.91	3.99	19.18	632.61	624.59	629.75	630.15
44	Office Equipment (5)	115.47	+1.3	9.05	4.96	13.77	113.93	109.92	109.64	109.30
45	Shipping and Transport (14)	813.97	+1.9	7.80	4.98	17.33	799.09	804.65	809.40	808.21
46	Miscellaneous (48)	541.76	+1.1	8.77	3.95	13.65	535.72	533.99	535.89	535.42
49	INDUSTRIAL GROUP (494)	475.56	+1.6	9.20	4.03	13.45	468.12	461.71	462.05	462.71
51	Oils (16)	966.65	+0.2	11.55	6.13	10.52	963.09	997.53	992.54	985.56
59	500 SHARE INDEX	516.50	+1.0	9.65	4.37	12.29	507.51	502.52	502.28	503.10
61	FINANCIAL GROUP (124)	379.85	+0.6	—	5.09	—	377.70	372.71	369.71	369.40
62	Banks (6)	382.28	−0.6	22.47	6.70	4.83	384.40	374.59	370.82	374.25
63	Discount Houses (8)	374.47	+1.2	—	7.28	—	370.06	374.39	373.25	374.76
65	Insurance (Life) (9)	523.03	+0.7	—	4.30	—	519.47	516.64	517.12	507.20
66	Insurance (Composite) (10)	252.20	+0.3	—	6.09	—	251.38	248.58	247.22	248.45
67	Insurance Brokers (7)	692.65	+2.0	9.89	4.25	13.84	673.58	671.11	655.33	645.65
68	Merchant Banks (12)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (107)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	483.63	+1.3	—	4.49	—	[illegible]	[illegible]	[illegible]	[illegible]

Year ago (approx.); Highs and Lows Index: 1983-84 High, Low; Since Compilation High, Low — [illegible]

FIXED INTEREST

	PRICE INDICES	Fri Jan 6	Day's change %	Thur Jan 5	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.42	+0.20	118.20	—	[illegible]
2	5-15 years	133.19	+0.23	132.88	—	[illegible]
3	Over 15 years	143.12	+0.27	142.74	—	[illegible]
4	Irredeemables	152.22	—	152.22	—	[illegible]
5	All Stocks	131.37	+0.19	131.12	—	[illegible]
6	Debentures and Loans	108.38	+0.32	108.04	—	[illegible]
7	Preference	80.81	+0.10	80.73	—	[illegible]

AVERAGE GROSS REDEMPTION YIELDS — [illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. CONSTITUENT CHANGES: Charterhouse Group (68) and RIT & Northern (71) have been deleted and replaced by Charterhouse (J.) Rothschild (68) and London & Edinburgh Trust (69) respectively.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service

Stocks favoured for the call included Bula, Eglington, W. E. Norton, Crosby Woodfield, TSL Thermal Syndicate, John Brown, Horizon Travel, Strong and Fisher, M.Y. Dart, Scottish and Newcastle, Chloride, London Private Health, Beecham Piet Petroleum, Barker and Dobson, Glaxo, Grovebell and Aran Eneryg. A put was arranged in Ramar Textiles, but no doubles were reported.

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, January 5, 1984.

Insurance Brokers	+ 5.10	500 Share Index	+ 1.29
Office Equipment	+ 4.28	Contracting, Construction	+ 1.18
Property	+ 3.77	Insurance (Composite)	+ 1.18
Food Manufacturing	+ 3.57	Industrial Group	+ 1.17
Brewers and Distillers	+ 3.25	Building Materials	+ 1.14
Overseas Traders	+ 3.20	Capital Goods	+ 1.13
Food Retailing	+ 3.19	Motors	+ 0.63
Banks	+ 2.74	Textiles	+ 0.53
Mechanical Engineering	+ 2.43	Mining Finance	+ 0.52
Newspapers, Publishing	+ 2.42	Other Consumer	+ 0.44
Insurance (Life)	+ 2.42	Chemicals	+ 0.39
Financial Group	+ 2.25	Other Groups	+ 0.24
Health and H'sehold Products	+ 1.95	Other Industrial Materials	+ 0.21
Oils	+ 1.94	Stores	− 0.29
Leisure	+ 1.89	Packaging and Paper	− 0.40
Electricals	+ 1.82	Merchant Banks	− 0.49
Metals and Metal Forming	+ 1.53	Electronics	− 0.90
Consumer Group	+ 1.49	Shipping and Transport	− 1.13
Investment Trusts	+ 1.48	Discount Houses	− 1.25
All-share Index	+ 1.47	Tobaccos	− 1.98
		Gold Mines Index	− 2.31

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	68	7	27	214	68	126
Corpns. Dom. and Foreign Bonds	12	14	52	66	44	202
Industrials	540	97	764	1,536	637	3,431
Financial and Props.	259	33	228	795	183	1,102
Oils	42	19	57	185	88	199
Plantations	10	1	9	37	3	40
Mines	53	36	79	195	149	328
Others	119	16	46	395	101	232
Totals	1,103	223	1,262	3,423	1,273	5,660

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Assoc Dairies	162	+ 4	ICI	650	+ 6
Bowater	270	+10	RTZ	627	+24
Charter Cons	235	+15	Shell Transport	603	+ 8
De Beers Defd	538	+23	Strong & Fisher	144	+ 8
Eglinton Oil & Gas	390	+15	Stylo	248	+80
GEC	188	+ 8	Tate & Lyle	393	+ 8

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Reliant Motor	18	33	+13	Euro Ferries	12	85	− 2½
Acorn Comptr	15	142	+15	Invent Energy	12	307	+24
Candecca Res	14	197	+12	Strong & Fisher	12	136	+ 7
Barclays Bank	13	505	+22	Bellair Cos	11	£11½	+ ¼
BP	13	407	+ 7	RTZ	11	603	+10
Glaxo	13	725	+25	Ryl Bk of Scot	11	216	+ 4
Medminster	13	110	+22	Shell Trans	11	595	+10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Bellair Csmtcs	81	£11½	+ 3½	Euro Ferries	50	85	− 3
Strong & Fisher	73	136	+41	GEC	50	180	+ 4
Glaxo	71	725	+10	BAT Inds	49	175	+ 7
Candecca Res	64	197	+52	Distillers	49	255xd	+18½
Shell Trans	58	595	+29	Ryl Bk of Scot	49	216	− 6
Ingram (H.)	52	343	+98	Unilever	49	960	+65
BP	50	407	+ 2	BTR	48	420	−10

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

هذا احسن الأصل

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		290.0	.....	—
Property Fund (A)		281.5	.....	—
Agricultural Fund		1,133.5	.....	—
Agric. Fund (A)		1,102.9	.....	—
Abbey Nat. Fund		231.3	.....	—
Abbey Nat. Fd. (A)		230.3	.....	—
Investment Fund		143.1	+1.6	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552

Managed	211.2	222.4	+1.4	—
Property	153.7	161.8	+0.1	—
Equity	246.8	259.8	+2.8	—
International	219.4	231.0	+1.7	—
Fixed Interest	173.8	183.0	-0.1	—
Index Linked	98.2	103.4	.....	—
Cash	132.3	139.3	.....	—

Managed	251.2	264.5	+2.2	—
Equity	315.5	332.5	+4.0	—
Global Equity	105.9	111.5	+1.5	—
Fixed Interest	224.2	236.1	+0.2	—
Property	191.2	201.3	.....	—
Index Linked Gilt	105.6	111.2	.....	—
Guaranteed	9.88	—	.....	—
International Money	119.7	126.0	+0.2	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	158.8	167.2	.....	—
Accum. Pen. Units	276.5	291.0	.....	—
Flex. Inv. Growth	159.6	168.0	.....	—

Continued on adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adiropa	DM22.01	22.67	.....	—
Adiverba	DM77.39	81.26	.....	—
Fondak	DM38.75	40.69	.....	—
Fondis	DM34.84	36.58	.....	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$241.48 245.39	.....	1.57

Next dealing January 13.

For Allen Harvey & Ross see Cater Allen

Alliance International Dollar Reserves now Alliance Capital Management International
See adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

Andover Futures Ltd. (Adv: Thoonte)

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.84	+0.10	—

Inv. Adv.: M. & G. Inv. Mngs. Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM

Wren Com. Fund	21.4	22.6	[illegible]	—
Japanese Fund	56.4	[illegible]	[illegible]	—
Precious Metal Fund	115.7	123.5	+0.8	—
Vanguard Cmdy. Fd.	34.1	35.6	+0.5	—
Financial Futures Fd.	63.6	[illegible]	[illegible]	—
Wren Intl. Fnd.*	$0.536	0.547	-0.005	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

INSURANCE

MINES—continued

Australians

Tins

Miscellaneous

93	50	♥Anglo Utd. Dev..	51	......	—	—	—
400	180	♥Centenaial Mines	287	+5	—	—	—
175	60	♥Colby Res Corp..	175	.....	—	—	—
825	315	Cons. Murch. 10c	775	−25	100c	φ	7.9
£17½	£10⅞	Eastern Trans Cons 50c	£16½xd	−½	Q85c	4.9	2.6
240	170	Hampton Areas 10p	213xd	+3	3.75	2.1	2.4
215	103	♥Highwood Res...	175	+5	—	—	—
£24½	£17½	Homestake Mining $1	£21	+⅛	Q20c	—	0.7
495	275	Northgate C$1	340	+5	—	—	—
672	437	R.T.Z.	627	+24	17.0	2.9	3.9
£147½	£108	Do.9½%Cv.Ln.'95-2000	£136	+5	Q9½%	32.5	7.0
190	13	♥Sabina Inds C$1	75	+5	—	—	—
920	312	♥Tara Exptn $1	910	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- φ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	72	......	Fin. 13% 97/02	£96	+¼
Bog'wtr. Est. 50p	320	......	Alliance Gas	70	......
Craig & Rose £1	900	......	Arnott	213	......
Finlay Pkg. 5p	40	......	Carroll (P.J.)	106xd	......
Higsons Brew	85	......	Concrete Prods.	90	......
Holt (Jos.) 25p	290	......	Hall (R. & H.)	57	......
I.O.M. Stm. £1	127	......	Helton (Hldgs.)	17	......
IRISH			Irish Ropes	40	......
			Jacob	60	......
Exch. 12% 1985	£99	......	T.M.G.	25	......
Nat 9¾% 84/89	£85¾xd	+¼	Unidare	77	......

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp.	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	Property	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	56	MEPC	24
Boots	17	"Lofs"	3	Peachey	17
Bowater	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	20		
Burton Ord.	58	Midland Bank	42	Oils	
Cadburys	11	N.E.I.	10	Bristol Oil & Min.	6
Courtaulds	11	Nat. West. Bank	55	Brit. Petroleum	35
Debenhams	14	P & O Dfd.	22	Burmah Oil	16
Distillers	20	Plessey	20	Charterhall	8
Dunlop	5	Racal Elect.	18	Premier	5
Eagle Star	60	R.H.M.	7	Shell	50
F.N.F.C.	6½	Rank Org. Ord.	19	Tricentrol	20
Gen. Accident	42	Reed Intnl.	34	Ultramar	60
Gen. Electric	17	Sears	8		
Glaxo	75	T.I.	14		
Grand Met.	38	Tesco	16	Mines	
G.U.S. 'A'	55	Thorn EMI	55	Charter Cons.	22
Guardian	45	Trusthouse	16	Cons. Gold	50
G.K.N.	16	Turner & Newall	8	Lonrho	8
Hawker Sidd	32	Unilever	75	Rio T. Zinc	58

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

FINANCIAL TIMES

Saturday January 7 1984

MAN IN THE NEWS

Not a soldier of fortune

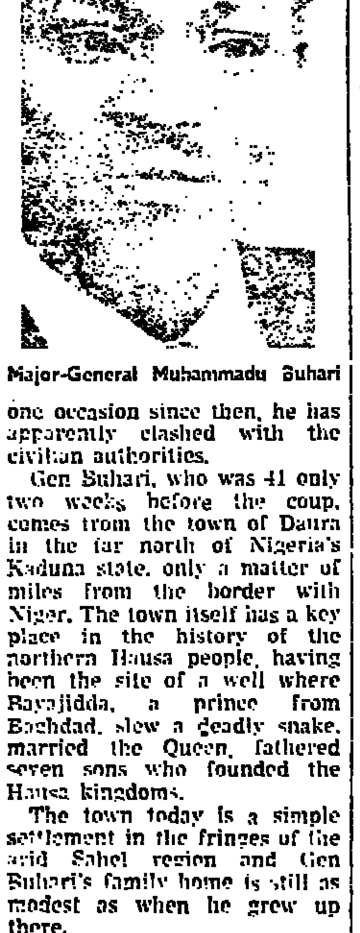
BY QUENTIN PEEL

THE EMERGENCE of Major General Muhammadu Buhari as the new Nigerian head of state following the New Year's Eve coup has been greeted both as a surprise and as a reassurance of the probable pragmatism of the new regime.

He was one of the few members of the former military government to have returned to active service, having held the key portfolio of Commissioner for Petroleum in the government of General Olusegun Obasanjo. As such, he was regarded as competent and realistic, a man prepared to master his brief, and equally, one capable of maintaining a contrary opinion to his peers.

At the same time, he had a reputation as one of the least outgoing members of the government, a retiring and introspective man who tended to keep his own counsel. Scarcely the sort of man of whom coup leaders are made.

However, he was also known to be one of the members of the former government least persuaded of the wisdom of handing back power to the civilians in 1979. On more than



Major-General Muhammadu Buhari

one occasion since then, he has apparently clashed with the civilian authorities.

Gen Buhari, who was 41 only two weeks before the coup, comes from the town of Daura in the far north of Nigeria's Kaduna state, only a matter of miles from the border with Niger. The town itself has a key place in the history of the northern Hausa people, having been the site of a well where Bayajidda, a prince from Baghdad, slew a deadly snake, married the Queen, fathered seven sons who founded the Hausa kingdoms.

The town today is a simple settlement in the fringes of the arid Sahel region and Gen Buhari's family home is still as modest as when he grew up there.

The new head of state has *declared that a crusade against* corruption is one of the priorities of his administration, and he was himself seen as a rare example of probity when in government. "He was an upright man: a pillar of rectitude in a jungle of venality," according to one oil man who was in Lagos at the time. "He also struck one as being rather diffident, almost austerly so. From time to time he seemed rather isolated."

A journalist who interviewed him at the time came away impressed by his frankness, and willingness to help. "He was quite prepared to answer questions directly, and to admit his mistakes. He said he had learned a lesson when the oil companies told him prices would fall, and he was convinced they would stay high because of the movements on the spot market." The subsequent slump in demand hit Nigeria harder than any other producer.

Apart from his stint as Petroleum Commissioner (effectively the Minister of Oil), he was also military governor of the North-Eastern State, and then Borneo state, from 1975-76, under General Murtala Mohammed, gaining vauable administrative experience in an outlying area.

In spite of his reputation as a cautious man, he has clashed with the civilian administration on more than one occasion before the coup. The most notable was when he was commander in Jos last year, during border clashes with soldiers in neighbouring Chad, and continued operations after the civilians had announced a cessation of hostilities.

He is passionately nationalistic, and was convinced that the Chadians deserved to be taught a lesson for killing quite a number of Nigerian soldiers," according to one observer. "He simply went on fighting until he thought that had been done."

Tunisians cheer food price decision

BY FRANCIS GHILES IN TUNIS

PRESIDENT Habib Bourguiba's decision to rescind food price rises which provoked this week's riots in Tunisia was greeted by crowds in the streets of Tunis.

In a brief television broadcast yesterday morning, the 83-year-old president announced cancellation of measures which had led to a virtual doubling of the price of bread, semolina and pasta. "I do not want the poor to pay," Mr Bourguiba said.

Within an hour Tunis and its suburbs were swarming with youngsters shouting "Hail to Bourguiba" and "Long live Tunisia." In the centre of the city, people climbed on to the tanks which still guarded road intersections. They shook hands with the soldiers whose efforts to restore order had been praised by President Bourguiba.

Lorries festooned with Tunisian flags and portraits of the president trundled through the city while cars hooted and music blared out from cafes.

The country's crisis now appears likely to move off the streets and into the corridors of power.

There was immediate speculation in Tunis about the political future of Mr Mohammed M'Zali, the Prime Minister, who on Thursday evening was still insisting that the price rises would remain in force.

President Bourguiba said yesterday that he would ask the Government to introduce a new budget within three months to take account of the restoration of subsidies on essential food items.

A new Cabinet may be appointed to undertake the task. The most likely candidates for Prime Minister include Mr Azouz Lasram, the former Minister for Economic Affairs, who resigned last October after warning that any cut in subsidies would be akin to placing a time-bomb under his chair.

He had advocated a far more gradual approach to the prices issue and had suggested that increases should be spread over a three-year period.

Mr Driss Guiga, the Minister of the Interior, and Mr Mohammed Sayah, who headed the ruling party during the 1978 riots, are also thought to be front runners.

The restoration of subsidies will bring down the price of a "baguette" loaf from 90 millimes (8p) to 50 millims (5p). The 1 kilo loaf will also be almost halved in price.

During the week-long riots at least 60 people died. There was widespread damage to supermarkets, shops, official buildings and public transport vehicles. Officials say more than 1,000 have been arrested.

Britain slips further down world productivity league

BY ROBIN PAULEY

BRITAIN CONTINUES to perform badly in terms of competitiveness and productivity, according to an analysis of international industry published in Geneva yesterday.

The survey* by the European Management Forum, an independent non-profit foundation, shows that while Japan and Switzerland lead the world in competitiveness, Britain has slipped steadily down the league table, reaching 14th position compared with 13th last year and 12th in 1982.

The survey, which includes interviews with more than 1,000 executives in 22 OECD states, judges competitiveness and business confidence on 284 criteria in 10 groups. Britain fails to score highly in any, its best rankings being outward orientation (the will and ability to promote trade) (6th) and natural endowments (7th). It has exceptionally bad rankings for financial dynamism (15th) and dynamism of the economy (18th), only Spain, Greece, New Zealand and Turkey scoring worse in the latter category.

Between 1977 and 1982 the UK showed the lowest real GDP growth rate of all OECD countries, having an annual average of 0.35 per cent.

"Whereas necessity has pushed such countries as Japan to the fore in international commerce the UK increasingly has other-than-industrial exports to lean on (North Sea oil) which has no doubt slowed its endeavours to improve industrial competitiveness and has contributed to its quite mediocre overall ranking," the report says.

Possitive aspects for the UK include forecasts of reasonably good growth for 1984 and a higher level of business confidence than last year.

In the manufacturing sector, however, the UK rates the worst real average annual growth (1970-1980) of all OECD states and per capita value added is only the 14th largest. Total domestic investment as a percentage of GDP is also the poorest over the 1979-81 period —17 per cent compared with 32 per cent for Japan. The UK ranks only 17th out of 22 for employee productivity.

The report says the overall performance of the U.S. (third) was marred by mediocre results in industrial efficacy (seventh), state interference (fiscal and regulatory policies) (eighth) and outward orientation. It is in first place on human resources and second in market dynamics and financial dynamism.

Japan has four first places — dynamism of the economy, industrial efficacy, outward orientation and innovative forward orientation (research and development). It scores a remarkable low (20th) for natural endowments.

Although West Germany is fourth for the fourth consecutive year its industrial machine shows signs of faltering with a ninth placing for industrial efficiency and a high unemployment rate "pointing to future troubles."

The Nordic countries stand out as a group for their adeptness at adjusting to the pressure of recent years. The UK, France and Italy are described as three industrial majors which seem to be lacking competitiveness. "All three rank very badly, continuing or even exacerbating last year's dismal showing."

**EMF fifth annual report on international industrial competitiveness. European Management Forum, 53 Chemin des Hauts-Crets, CH-1223 Cologny-Geneva, Switzerland.*

THE COMPETITIVENESS SCOREBOARD

Rank & country	% result	Rank & country	% result
1 Japan (1)	70.31	12 Australia (7)	52.12
2 Switzerland (2)	70.10	13 Belgium/Luxembourg 14	51.94
3 U.S. (3)	64.38	14 UK (13)	51.55
4 W. Germany (4)	62.63	15 France (15)	49.70
5 Sweden (9)	58.77	16 Ireland (16)	47.13
6 Finland (8)	58.57	17 Italy (18)	44.94
7 Austria (10)	57.78	18 New Zealand (20)	44.86
8 Norway (12)	57.65	19 Spain (17)	41.31
9 Denmark (11)	57.19	20 Turkey (19)	38.07
10 Netherlands (5)	56.68	21 Greece (21)	34.33
11 Canada (6)	54.65	22 Portugal (22)	33.54

Figures in brackets are last year's rankings. Percentages are computed on the basis that if a country ranked first in all 10 factors it would score 100 per cent. If it came last it would score zero per cent.

Revenue faces writ from employees

By Philip Bassett, Labour Correspondent

THE GOVERNMENT was faced yesterday with a High Court writ from some of its employees. Tax staff are seeking to prevent the Inland Revenue from suspending them for refusing to operate Pay-As-You-Earn tax computer equipment.

The action is thought to be without legal precedent. It could be an important test case of laws governing contracts of employment and on the introduction of computer-based technology.

The writ of summons was taken out in the Chancery Division of the High Court, after staff were suspended for refusing to work pilot equipment for the computerisation of the tax collection system. The equipment includes visual display units and keyboards linked to a main computer in Telford, Shropshire.

The £200m system will eventually produce annual savings of £50m, but will cause the loss of 4,000 Revenue jobs.

The Inland Revenue said that 90 staff in Solihull—one of the seven tax offices involved in the pilot scheme—had been temporarily relieved from duty yesterday after refusing to use the equipment, though 31 staff had complied.

The tax staffs' union, the Inland Revenue Staff Federation, thought that 111 staff had been suspended. The balance of a total of about 450 staff involved will face suspension on Monday.

The union obtained the writ in the name of seven tax officers of varying grades across the offices concerned.

It requires the Revenue to stop asking the staff to use the new equipment; to stop suspending them for refusing to use it; and to stop taking any action against them until normal procedures have been followed fully. It also seeks unspecified costs and damages.

The case will be heard before Mr Justice Norse on Wednesday.

Neither the union nor the Revenue would comment last night, but earlier the Revenue had claimed that an injunction could not be brought against the Crown or one of its departments under Section 21 of the *Crown Proceedings Act 1947*.

The case arises from a dispute between the union and the Revenue over a new technology agreement. The Revenue has refused to conclude a deal which includes a no-redundancy clause, insisting that it cannot now give job guarantees on a system not due to come in fully until 1987.

Continued from Page 1

Joseph

Improving balance meant revising the teaching of subjects with the aim that each should make its best possible contribution to developing pupils' full potential.

"These principles apply to the curriculum of every type of school," Sir Keith added. "But they will not be so applied *unless they are applied deliberately and by agreement.*" Nor could the changes be made quickly.

He had already told the local education authorities that he would welcome an early discussion of the plan. He was also ready to discuss it with other educational interests including the teachers' unions.

Continued from Page 1

Share surges continue

said that the dollar buying spree had become almost self-perpetuating, with the market ignoring falls in short-term U.S. interest rates.

The rush into dollars was also encouraged by the apparent unwillingness of central banks to intervene to brake the currency's rise.

The dollar closed in London at DM 2.81, below the day's high but still more than a pfennig higher than Thursday. Sterling, which dealers said was also affected by fears of a build-up of crude oil stocks, fell to $1.4070, a loss of 55 points.

The Japanese yen, however, continued to move against the trend, buoyed by the favourable outlook for the country's economy. The dollar closed in London at Y232.65, down from Y232.85.

The dollar's trade-weighted index against a basket of currencies closed unchanged in London at 131.3, while sterling's index slipped to 81.7, down from 81.9.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
AMEC	203	+	10
Aero Needles	67½	+	24½
BAT Inds.	187	+	12
BICC	260	+	10
Bell (A.)	148	+	10
Black & Edgington	102	+	14
Boots	188	+	7
Bowater	270	+	10
Chart. J. Rothschild	123	+	11
Distillers	264	+	9
Eastern Produce	192	+	11
Exco. Intl.	623	+	33
Freemans	94	+	8
GEC	188	+	8
Pilkington Bros	248	+	10
Pyke Hldgs.	177	+	7
Sedgwick	255	+	9
Simon Engineering	420	+	18
Stylo	248	+	80
Tate & Lyle	393	+	8
Vantona-Viyella	182	+	10
Eglington Oil & Gas	390	+	15
Charter Cons.	235	+	15
Cons. Gold Fields	510	+	20
De Beers Defd	538	+	23
Falcon Mines	280	+	30
RTZ	627	+	24
Western Mining	282	+	8
Whim Creek	212	+	7
FALLS			
Midland Bank	380	−	18

WORLDWIDE WEATHER

UK today: Colder and showery in all districts. Some frost expected in the North.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	11	52	Corfu	R	11	52	Luxmbg.	S	3	37	Peking	S	3	37
Algiers	F	13	55	Dallas†	F	7	45	Madeira	C	16	61	Perth	S	24	75
Amsdm.	C	7	45	Dublin	C	7	45	Madrid	S	5	41	Prague	Sn	0	32
Athens	T	12	54	Dbrvnk.	S	9	48	Majorca	F	15	59	Rykjvk.	F	−4	25
Bahrain	S	20	68	Ednbrgh.	F	6	43	Malaga	S	15	59	Rhodes	R	14	57
Barclna.	S	10	50	Faro	F	16	61	Malta	F	13	55	Rio J'o†		—	—
Beirut	C	18	64	Florence	S	8	46	M'chstr	R	7	45	Rome	S	9	48
Belfast	C	6	43	Frankft.	C	2	36	Melbne.	F	31	88	Salzbrg.	C	−1	30
Belgrd.	Sn	1	34	Geneva	C	3	37	Mx. C.†		—	—	S'cisco†	F	8	46
Berlin	C	4	39	Gibrltr.	S	14	57	Miami†	F	11	52	Singapr.	F	29	84
Biarritz	C	11	52	Gl'sg'w	C	7	45	Milan	S	3	37	S'tiago†		—	—
Bmghm.	S	8	46	G'rnsey	C	9	48	Montrl.†	Sn	3	37	Stckhm.	C	2	36
Blackpl.	R	7	45	Helsinki	S	0	32	Moscow	F	0	32	Strasbg.	C	2	39
Bombay	S	25	77	H. Kong	S	18	64	Munich	Sn	0	32	Sydney	F	24	75
Bordx.	C	8	46	Innsbrk.	C	−2	28	Nairobi	S	24	75	Tangier	S	12	54
Boulgn.	C	7	45	Invrnss.	C	5	41	Naples	S	9	48	Tel Aviv	S	21	70
Bristol	C	8	46	I.o.Man	C	8	46	Nassau		—	—	Tenerife	C	19	66
Brussels	C	5	41	Istanbul	F	14	57	Nwcstl.	F	7	45	Tokyo	S	9	48
Budpst.	S	4	39	Jersey	C	9	48	N Delhi	S	16	61	T'r'nto†	C	1	34
Cairo	S	20	68	Jo'burg	S	26	79	N York†	R	4	39	Tunis	F	12	54
Cardiff	C	8	46	L. Pims.	F	20	68	Nice	S	10	50	Valencia	S	14	57
Cape T.	S	29	84	Lisbon	R	14	57	Nicosia	F	17	63	Venice	S	4	39
Chicg.†	C	−2	28	Locarno	S	1	34	Oporto	R	13	55	Vienna	S	3	37
Cologne	C	5	41	London	S	9	46	Oslo	S	−4	25	Warsaw	C	1	34
Cpnhgn.	C	5	41	L. Ang.†	F	12	54	Paris	C	7	45				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Thatcher stands firm in support of rate curbs

BY PETER RIDDELL, POLITICAL EDITOR

MRS THATCHER intervened yesterday in the row over the Government's proposals to limit local authority rate increases. Her move was part of a concerted Ministerial campaign to dampen the opposition among many Tories, both backbenchers and local authority leaders.

In a BBC radio interview during a visit to Kent, the Prime Minister stressed that the Government was "absolutely determined" to press ahead with the legislation. "We fought the election upon it," she said.

"Limiting the amount which people can be charged on rates is popular with the people who pay—ratepayers, small businesses and larger businesses."

Reflecting one of her longstanding themes, Mrs Thatcher noted that both housewives and Government "have to live within their budgets."

Her emphasis on "protecting the ratepayer" will be the main theme of Government propaganda over the next 10 days in the run-up to the Second Reading on January 17 of the Bill to limit rate rises.

In addition to a series of speeches, Ministers are seeking support privately from critical MPs and councillors. More than 60 Tory backbenchers are estimated to have doubts about the Bill, including former Cabinet Ministers such as Mr David Howell and Mr Geoffrey Rippon.

The Prime Minister will meet Conservative local authority leaders in Downing Street on Monday, when she will stress the need for party loyalty, and her determination that the Bill should become law.

Mr Leon Brittan, the Home Secretary, conceded last night that the rates Bill would be "one of the most hotly contested political battles in 1984."

He told a party meeting in Norfolk last night that the plans had been caricatured as "a constitutional outrage which deprives local authorities of their traditional independence.

"They are, in fact, a wholly legitimate response on the part of the elected Government to the heartfelt pleas of long-suffering ratepayers.

"They constitute the Government's entirely justified reaction to the behaviour of a limited number of local authorities which put at risk our central aim of economic renewal through stable prices and a revival of enterprise. It is the ordinary citizen, as well as commerce and industry, who stands to gain from putting our plans into action."

THE LEX COLUMN

A head of steam in equities

In common with the equity markets of continental Europe and the Far East, London has been taking its cue from Wall Street all week. The leading indices have already brushed aside records established in 1983, leaving the FT 30-Share Index within striking distance of the 800 level. Having taken most of 1983 to rise from 700 to 750, the index has managed the subsequent jump in precisely a month.

The market has admittedly been standing on solid technical foundations. The jobbers probably returned from the New Year holiday short of stock, while the virtual absence of rights issues over the past two months has helped to replenish institutional coffers. The dividend payment season in the gilt-edged market is in full swing and, while the final payment on the BP tender is due next week, its impact will be comfortably outweighed by the proceeds of the Eagle Star bid. Life assurance companies, in particular, appear to be groaning with cash and are ploughing their MIRAS and single premium annuity funds straight into UK equities.

Yet, in the absence of any perceptible change in profit or dividend expectations, the technical argument is not wholly persuasive. Moreover, while the gilt-edged market has not disgraced itself so far this year, equities have received nothing like enough support from fixed-interest to justify a 2.8 per cent advance in the All-Share.

The most plausible explanation is that, even if the landscape looks familiar, institutions are at least able to plan their 1984 equity portfolios with an unusual degree of confidence. The fact that substantial real growth in earnings and dividends can be predicted with some certainty has presumably justified a more aggressive investment stance. The waverers may have been given courage by the universally

Index rose 10.7 to 794.3

strong performance of UK equity funds last year and by the even larger market gains currently being posted on Wall Street and elsewhere. If London's equity market is rising in a vacuum, it is in good company.

Textiles

The dashing performance of the textile sector, which ran up more than 20 per cent in the last two months of 1983, contrasts strikingly with that of the other classic recovery stocks —metal bashers and capital goods contractors—which seem to have lost the market's interest some time last March or April. Even after a year when textiles rose nearly twice as rapidly as the All-Share, the City is still weaving together some fairly convincing reasons why the textile story should have plenty of life in it yet.

Sharing in the consumer boom, retail clothing sales in 1983 were around 10 per cent up on the year before, and more than 90 per cent of the increase appears to have been sourced from the UK. Domestic prices have remained virtually stable over the past four years, while the falling pound has driven up import prices by about a quarter—helping to put UK textile manufacturers back on a competitive footing in their home market.

In the past three years, the industry has thrown off layers of surplus capacity, cutting its average level of balance sheet gearing in the process to an extremely modest 10 per cent. The particular bull case for textile companies is that they have also been able to take advantage of a new generation of automated knitting, weaving and cutting equipment. This has, potentially at least, cut labour requirements by nearly 90 per cent in some garment manufacture, and simultaneously enabled the manufacturing companies to work more closely with their retail customers — theoretically cutting foreign producers out of the action altogether.

Higher profits over the next year seem pretty well assured —simply on the basis of accumulated efficiency gains. The snags may come a little later on when some companies which have sustained good records through the recession as cost-minimising producers of commodity clothing have to contend with an ever more finnicky fashion-based market. As the top of the cycle approaches, flair will stand at more of a premium even than efficiency.

Unit trusts

The unit trusts seem to have slipped up in their attempt to serve God and mammon simultaneously. A governmental diety, appearing in the guise of the Department of Trade and Industry, has cautioned the industry that it stands to lose its capital gains tax exemption if it is seen to be dealing too actively in the gilt-edged market. In particular, the DTI is concerned at the practice of bond-washing, whereby an institution loses a coupon by selling a stock cum-dividend and buying it back ex-dividend later.

The Government, having attempted to close the tax loophole enjoyed by offshore roll-up funds, is understandably concerned to prevent another springing up on dry land. The problem is that its guidelines on what constitutes acceptable trading are far too vague for an industry under such performance pressures as the unit trusts. Strict adherence to the guidelines may lose a trust clients while more adventurous investment is liable to provoke retrospective judgment applied to the whole industry. Clearer and more vigorously enforced rules would suit everyone better.